

# The National Underwriter

## LIFE INSURANCE EDITION

FRIDAY, SEPTEMBER 13, 1929

### MISSOURI STATE LIFE

*The Progressive Company*

THE continued rapid growth and expansion of the Missouri State Life has back of it the Progressive ideas and careful planning of seasoned executives plus the active and hearty co-operation of a happy, hard-hitting field force. ¶ Power to drive straight ahead on production is due to careful selection of agents, close co-operation with those selected and high aggressiveness on the part of the men in the field. ¶ The Company is rapidly nearing the "Billion and a Quarter" mark in amount of insurance in force.

HILLSMAN TAYLOR, President  
St. Louis, Missouri



Admitted Assets Over  
**\$131,000,000.00**

Insurance in Force Over  
**\$1,200,000,000.00**



A LIFE INSURANCE NIBLICK WILL GET YOU OUT OF THE ROUGH

Licensed to do Business in 32 States

Write for General Agency Proposition  
and Territory

**RESERVE LOAN LIFE**  
**INSURANCE COMPANY**  
**INDIANAPOLIS, INDIANA.**

# 326 Superintendents Managers and Assistants SAY: "THESE are OUR Problems"

- 1 *To develop efficient executive assistants.*
- 2 *To obtain definite selling talks and methods of work, which can actually be used in training our men to sell more Life Insurance.*
- 3 *To fire the enthusiasm of our men so they will work the plans suggested.*
- 4 *To show our men how to organize and manage their debit—collect, prevent lapses, show increase.*

Abner Thorp, Jr., one of the greatest living authorities on selling Life Insurance, and Editor of The Diamond Life Bulletins, is the head of The Industrial Diamond Life Bulletins staff.

Supporting him is the largest Insurance publishing house in the world, The National Underwriter—Rough Notes Company, publishers of The National Underwriter, The Insurance Salesman, The Accident and Health Review, etc., etc.

Here are unrivaled facilities for collecting and testing the last word in Insurance selling methods. The Industrial Diamond Life Bulletins has them.

Each month, subscribers will receive condensed explanations, sales talks and methods, with illustrations for use in canvassing, from the brains of men who know how to sell, and do sell, and all of this for less than the cost of two postage stamps a day.

**T**HE sole purpose of The Industrial Diamond Life Bulletins is to help solve those problems.

No single Company, no single District, has such a collection of ideas. Here is gathered the best from all Companies, from all Districts, from all Agents.

Every Superintendent and Manager, every Assistant, every ambitious Agent, should be a subscriber. Here are twelve cylinder, four-wheel drive, easily applied methods.



The National Underwriter Company,  
420 East Fourth Street,  
Cincinnati, Ohio.

I can solve my own problems but I haven't time to study and time to travel and talk with other men all over the country. If you have collected practical plans which will save my time and help my men, tell me about them. Send the free booklet "Industrial Plus Ordinary".

Name .....

Address.....

Street City State

Company .....

Title .....



## Estates, and Their Shrinkage

Based upon the United States Government records of 22,945 estates reported to the Treasury Department during the years 1927 and 1928, figures are available to show the character of the assets of such estates and to indicate the shrinkage therein. A brochure published and issued by the Central Hanover Bank & Trust Company, of New York, gives all this data as to estates of varying size, and in its analysis of the averages as to the entire group, furnishes some intensely interesting and instructive facts and figures.

The following table shows the character of the average assets of the group, with percentages:

Assets	Percent
A. Real Estate .....	18.72
B. Government Bonds .....	8.17
C. Other Bonds .....	7.42
D. Corporate Stocks .....	38.02
E. Cash, Notes and Mortgages.....	11.44
F. Life Insurance .....	2.74
G. Miscellaneous Property .....	13.79

The shrinkage in the average estate, based upon the averages of this group, is stated to be as follows:

Charitable Bequests .....	5.48
Funeral and Administration Expenses.....	4.16
Debts and Mortgages .....	9.67
Federal Estate Tax.....	.71
State and Inheritance Taxes.....	3.55

23.57

These amazing figures are almost self-explanatory, but one cannot help noting, with astonishment, *the small part which life insurance plays in the average estate*, or overlook the interesting fact that *the average estate shrinks nearly one-quarter while passing under the law.*

*LIFE INSURANCE OUGHT TO PLAY A BIGGER PART IN THIS DRAMA OF LIFE AND ESTATE.* As George W. Davison, President of the Central Hanover, says:

"We appreciate the important part life insurance plays in planning an estate and we unhesitatingly recommend it whenever it is needed."

There is food in these figures for thought on the part of agents and prospects.

## THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

Milwaukee, Wisconsin

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# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Third Year No. 37

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, SEPTEMBER 13, 1929

\$3.00 Per Year, 15 Cents a Copy

### Prosperity Continues and Business Warnings Grow

NEW YORK, Sept. 12.—Business continues to report only a story of general prosperity, with more and more delinquents coming into line and overcoming their early season losses—and forecasts of the future continue to point with caution to a certain break in the market and retrenchment all along the line. The business and financial world is in an unusual situation today, with fundamental conditions unchanged and pointing to danger ahead, but with actual results showing only gains and increases and promises of even brighter times for the future. Life insurance, in tune with all other branches of business, is striding forward and piling up gains which now all but assure a record year's production for 1929.

#### Business Is Booming

Looking back over the past month at actualities, there is nothing to report but optimism. Even building construction, one of the recalcitrants among the business groups, is now forging ahead and largely overcoming the early year losses. Automobile production is maintaining its record pace, largely the result of Ford production, but felt to some extent all down the line. In fact, it is expected that this year's production total as of next week will have passed the total production of cars of all of 1928. Steel is going along at its remarkable pace, though not quite so far ahead of last year now as it was during previous months. Freight loadings point to a continuance of general business activity with only a slight abatement, indicating that miscellaneous manufacturers are turning out a record production. Earnings' reports for the half year which have continued to come out during August show even greater profits than the original list. Thus, the background is wholly one of optimism and prosperity. There are certain undercurrents of disturbing factors, however, which give many cause for thought. The fact that steel and freight loadings and some other items have shown even a slight check in the rate of increase, now that the

autumn business is here, is not regarded over-enthusiastically. In fire insurance, losses have mounted alarmingly during the summer months, almost double last summer and nearly at the rate of the peak loss years of 1922 and 1926—with no great conflagrations to account for this. In fact, the summer losses were so great that the year to date total is remarkably near the year to date figures for some of the peak loss years. As fire losses have always in the past followed closely the curve of business prosperity inversely, this is regarded by some as an item of apprehension.

#### Money Is Questionable

Turning to life insurance, there is an item which is not healthy, also. Policy loans have increased notably in the past two years and it is reported the rate of increase is greater this year than last, if anything. This points to a great shift of money from policy reserves to the speculative market—and this, in turn, points to an excess of speculative money on the market. It accounts to a degree for the great flood of money on Wall street today, for it is quite generally true that the general public has called forth all possible cash to either invest in shares for themselves or to put on the call market. It is known that some business houses are using all available cash thus. This represents an unhealthy situation and one which has trouble stored up for the future, should a market break of appreciable proportions develop. And that this is imminent seems increasingly certain day by day. Only last week, Roger Babson publicly predicted a market break and possibly one of drastic proportions. This is a much-mooted question, of course, with varying views from complete pessimism to complete optimism, but there is a predominance of caution in view of a future break.

#### Agriculture Now Optimistic

Turning again to the favorable items in the general picture, there is one especially bright corner in agriculture. The farmer now seems assured of a good season. Wheat has seemed to pass the crisis and, in fact, seems thoroughly stabilized at a price which should be fairly closely followed to the end of the year now unless some startling reports come from other corners of the world market. Other crops are in equal or more favorable positions, so that, on the whole, agriculture is looking forward to a better cash surplus this year than for many years past. The rural life underwriter can take great encouragement from this and can look to 1929 both for increased sales and for reduced indebtedness among his clientele.

In other fields, it is almost safe to direct the life agent to turn to all prospects now for additional sales, for there are few lines that are not in the march of record business and in almost all cases the need for business insurance is greater than at any time in the past, with credit an increasingly important and uncertain item. It is still true that too many individuals are interested in

(CONTINUED ON NEXT PAGE)

### General Counsel



JUDGE BYRON K. ELLIOTT  
Indianapolis Man to Succeed Claris Adams in American Life Convention Post

### A. L. C. Meeting Plans to Be Perfected at Toronto

The executive committee of the American Life Convention will meet at Toronto Sept. 16 to perfect plans for the annual meeting of the convention at Cincinnati Oct. 14-18.

The tentative program as prepared by the special committee headed by John M. Laird, vice-president of the Connecticut General Life, is one of the best balanced ever presented before a national gathering of life insurance executives. Every modern development and problem of the business will be discussed by men who are internationally recognized as authorities on the subjects assigned to them.

#### Will Take Up Appointment

At this meeting the executive committee will also consider the appointment of a successor to Claris Adams as secretary and general counsel of the convention. The special committee appointed for that purpose has unanimously recommended that Judge Byron K. Elliott of Indianapolis be elected to Mr. Adams' position. As is known Mr. Adams is leaving the convention to become vice-president of the American Life of Detroit.

The disability committee of the American Life Convention will meet in Toronto Sept. 15 and on Sept. 17 the tax committee will be in session in that city. The disability committee will discuss and consider the standard provisions for disability coverage recommended by a special committee of actuaries, while the tax committee is to take up the proposed change in the method of taxing life insurance companies contained in the preliminary report of the joint congressional committee on internal revenue.

### B. K. Elliott to Succeed Adams

Indianapolis Judge Will Become Executive Officer of American Life Convention

### PROMINENT AS ATTORNEY

Selection Expected to Be Ratified by Executive Committee at Meeting in Toronto Next Week

Although the executive committee of the American Life Convention is not scheduled to meet until next week at Toronto at the time the insurance commissioners are meeting there, to take formal steps in ratifying the arrangements made with Judge Byron K. Elliott of the Marion county superior court in Indianapolis to succeed Claris Adams as general counsel and manager, yet the Indianapolis papers "broke" the story last week prematurely.

A special committee had been appointed consisting of Clarence L. Ayres, American Life of Detroit; J. B. Reynolds, Kansas City Life; George Graham, Central States Life; O. J. Arnold, Northwestern National Life, and Herbert M. Woollen, American Central Life, to make recommendations of an acceptable man. The committee made a proposition to Judge Elliott which he accepted. The matter has not been passed upon by the executive committee but undoubtedly it will be sanctioned. The executive committee will meet in Toronto, Sept. 16.

#### Judge Elliott's Career

Judge Elliott is a man of distinction in Indianapolis, being a native of that city. He is a grandson of the late Byron K. Elliott, who was judge of the Indiana supreme court for 12 years. Judge Elliott graduated from Shortridge high school at Indianapolis and later attended Indiana university, graduating in 1921. He took his legal training at the Harvard law school, graduating in 1923. Shortly after taking up the practice of law in Indianapolis he was appointed deputy prosecuting attorney. He served as chief deputy prosecutor in 1923 and 1924 and then resigned to enter the practice of law with his father, the late William F. Elliott, one of Indiana's foremost attorneys.

#### Elected to Bench in 1926

He became a candidate for the Republican nomination for judge of the superior court in the 1926 primaries and was elected. He is one of the youngest judges ever to occupy the bench in any of the Marion county courts. He enlisted in the army during the war and served as a private in heavy artillery, being stationed at Fortress Monroe. Later he became a second lieutenant in the officers reserve corps.

Judge Elliott is an aviation enthusiast.  
(CONTINUED ON NEXT PAGE)

### McCormack Endorsed for First Vice-President

Lloyd K. Allen, associate general agent of the Union Central Life, Boston, who is chairman of the advisory nominating committee of the National Association of Life Underwriters, has reported that no new nominations for the presidency of the National association have been filed in addition to those of S. T. Whatley of Chicago and C. C. Day of Oklahoma City.

The committee, however, is being swamped with endorsements for E. J. McCormack of Memphis, Tenn., for first vice-president. The committee does not expect to meet again until the convention at Washington, when the nominations will be submitted.

## Agriculture "Looking Up" Encourages Rural Agents

Rural agents can take encouragement from the general situation countrywide, for agriculture is "looking up" and this autumn promises to be one of the most satisfactory in many years. For the first time in many years, it is believed the farmer will put his crops on the market at an advantage and have a good cash balance for restocking and recuperating from past reverses. The life insurance item on the budget should have an important place and there should be ample money available to make cash payments and refund policy notes. There are some few locations where all is not bright, notably the Dakotas and Montana and possibly California and Florida, a short wheat crop being expected in the former and a short fruit crop in the latter. But on the whole, crops throughout the country are expected to bulk up larger than last year, with prices mostly well above last year, due to shortages in many items on the world market.

### Wheat Is Strong

Wheat is the chief single item in this country and its farmers are more often than not taken as the measure of general agricultural prosperity—though this not always an accurate or a complete gauge. But in wheat, the American farmer is coming through to the harvest with one of the most turbulent, unusual—and favorable years in history. Early in the year a huge world surplus was imminent and wheat prices crashed to a record low, below a dollar a bushel. Then, as crop reports started to come in, it became apparent that the outside market, notably Canada, was going to have a shortage, even though the United States, except for the near northwest, was promised a bumper crop. Prices then shot up and have since held fairly firm.

### Promise of Gains

Various disconcerting reports during the past six weeks, some true and some false, and a general tendency towards

nervousness on the part of all interested in market activities, have combined to drive the price down some 20 cents a bushel, but it is still well above last year and has promise of going higher during the coming weeks. Indeed, it is reported that many farmers will not profit to the maximum, as they have widely unloaded at the present prices and the middle-men will take up whatever future increases may be in sight. Even at the present prices, however, the farmers are profiting and life insurance should profit accordingly. Indeed, rural business from the coming months should offset in many companies any possible losses in new business from metropolitan offices, should the latter feel the effects of a tightened market and drop off slightly.

### Other Crops Good

Wheat is not the only farm crop and no full picture can be gained by observing only the wheat farmer—as all too many analysts seem to feel. And it is when the full picture is taken this year that the complete brightness of the picture can be seen. Practically every item on the farm list is now expected to turn in an income well above last year and notably above the last five year average—and on the basis of a smaller farm population, which can only mean a sizeable increase in profit per capita. The grains generally are expected to go some 5 percent above last year and the five-year average in income; fruits and vegetables slightly above; cotton slightly off, though this market is very sensitive and final conditions and prices may warrant higher estimates; meat will produce about the same income as last year, though that is some 20 percent above the five-year average; dairy products and poultry will go well above last year and some 15 percent above the five year average. Thus, the picture as a whole gives a year of farm prosperity with an income somewhat above last year and some 10 percent above the five year average.

## Travelers Is Now Ready to Write Group Annuity

The Travelers is now ready to provide pensions for employees of business establishments, through the medium of annuities issued on a group plan, it is announced. The company has been issuing various forms of annuity contracts for many years to employers who wished to provide pensions to selected individuals and it has also furnished some employers with the equivalent of a pension plan through salary allotment, under which individual insurance-annuity or pension-insurance policies were sold to employees.

The group annuity plan was worked out some time ago, but no general bid for such business has been made. The company's forms, however, are now ready, a unit in the home office has been established to handle the business and the salaried field staff has been tutored in the fundamentals. The company plans to provide any agent who has a pension prospect with the assistance of a salaried man who is familiar with the problem.

The Travelers will issue group annuities on both the employer-pay-all and the contributory basis, and also on the voluntary or obligatory plan, or a combination of the two.

### Ontario Equitable's Business

The new business of the Ontario Equitable Life of Waterloo, Ont., amounted to \$8,018,987 for the first eight months as compared with \$4,503,609 for the same period in 1928.

## National Chamber Finds States Use More of Tax

Insurance departments are spending greater proportions of premium tax in supervising the insurance business than in the past, reports from 22 states and the District of Columbia to the insurance department of the Chamber of Commerce of the United States disclose, according to Terence F. Cunneen, department manager.

In 1926 state departments dispersed only 3.94 percent of the money collected from the insurance companies and agents. In 1927 the figure was 4.16 percent. According to the chamber department the 1928 figure indicates an even larger proportion. The chamber points out that state departments thus are making progress in application of the receipts to the purpose for which they were designed, namely that of supporting insurance departments.

One of the principal complaints of agents and companies against the premium tax was that only 2 or 3 percent was used for the original purpose, whereas a large proportion went into state general funds to be used for a variety of purposes for which policyholders who had paid the tax already had paid other taxes. The chamber's insurance department is now busy preparing an analysis of special insurance taxes for the country as a whole which will be released in the near future in a bulletin now being published.

Every wide-awake life insurance man should subscribe for his own personal copy of The National Underwriter.

## Takes New Post



FRANK L. BARNES  
Resigns as Vice-President and General  
Manager of Sentinel Life to Go with  
Provident Life & Accident

## "Profitable Advertising" Is "Ad" Convention Topic

The program for the convention of the Insurance Advertising Conference, to be held at Cleveland Oct. 6-9 will be built around the keynote, "More Profitable Advertising." Harold E. Taylor of the American of Newark, chairman of the publicity committee of the conference, commenting upon this says:

"Every advertising man realizes that only a small part of his produced work is what might be termed profitable. Every one is interested in making his advertising more effective. The Cleveland meeting will bring together the foremost insurance advertisers of the United States and Canada and the pooled experience, discussions and results of these members is bound to affect the status of present advertising methods and practices.

"Good speakers have been procured to talk 'shop' to the delegates. There will be no theoretical speakers—only those from whom the members may learn how to improve the use of color, paper, copy, inks, illustrations, headlines, type, borders, rules, ornaments, direct-mail newspaper advertising and kindred subjects. The keynote, 'More Profitable Advertising,' seems to be well chosen and timely."

## Conway Appoints Ward as New York Deputy

Francis P. Ward has been appointed second deputy superintendent of New York by Superintendent Albert Conway, succeeding Daniel F. Gordon, who recently resigned. Mr. Ward will be located in the New York City office of the department.

He has had a meteoric rise for a young man, being in general practice from 1906 to 1915, when he was a delegate to the constitutional convention of New York, and in 1921 he was appointed assistant corporation counsel of New York, serving until 1924. At that time he became assistant chief of the New York department's liquidation bureau, in which capacity he has served since. The duties of this office he discharged with an efficiency that made him well known over the United States. Mr. Ward contributed to the unusual record which the liquidation bureau established in handling the affairs of defunct carriers at low cost and so that a high proportion of assets was returned to creditors and policyholders.

## Frank L. Barnes Goes With Provident Life & Accident

### QUITS SENTINEL LIFE POST

Becomes Vice-President and Manager  
of Accident and Health Department  
of Chattanooga Company

Frank L. Barnes, vice-president and general manager of the Sentinel Life of Kansas City, has severed his connection with that company to become vice-president and manager of the personal accident and health department of the Provident Life & Accident of Chattanooga.

Mr. Barnes is one of the most widely known of the younger insurance executives of the middle west. For a number of years he was manager of the accident and health department of the Employers Indemnity. Three years ago, when the Sentinel Life was organized, he was made vice-president and general manager. Under his management the Sentinel has shown considerable progress in the development of a substantial volume of life, accident and health business.

### Will Aid in Life Department

In addition to Mr. Barnes' official position with the accident and health department of the Provident, he will be closely associated with Paul M. Ray, vice-president of the life department of that company, in the development and expansion of the life branch.

Mr. Barnes has been particularly active in the work of the Health & Accident Underwriters' Conference, having served as first vice-president the past year and as second vice-president in previous years. By reason of his executive experience, his wide acquaintance and his pleasing personality, he is expected to become an important factor in the Provident's continued development program, which has shown remarkable progress during the last few years.

## Elliott Is to Succeed Adams

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He has qualified as a licensed pilot. At the time of the death of James A. Perry, president of the Curtiss Flying Service of Indiana, Judge Elliott was made president. Judge Elliott is unmarried and lives with his mother at the Marott hotel in Indianapolis.

It is interesting to note that Claris Adams, the present incumbent, and Judge Elliott both come from Indianapolis, both being prominent lawyers in their state. Judge Elliott comes from a distinguished legal family. Both his grandfather and father were deep students of the law. His father was the author of legal treatises and a book which is used as a textbook in some of the law schools. Judge Elliott is a man of conservative ideas, likeable and clean as a hound's tooth.

## Prosperity Continues and Business Warnings Increase

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the stock market and this is detracting to a notable degree from life insurance production, but this is a factor that should be more and more easily overcome during the coming weeks, in view of the uncertain outlook on the market. Those who have cash or paper profits would do well to turn seriously to life insurance, both for personal and business needs, and thus batten down the hatches before any possible storm should develop.

The Connecticut Mutual Life has appointed Clifford E. Benson, cashier for the Minneapolis agency under Edwin L. Pickhardt. This will relieve Mr. Pickhardt from office details and enable him to give all his time to expanding the organization.



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## Company Claim Men in Meeting

Large Attendance Registered at Hot Springs, Va., Gathering of Association

### CONSTITUTION AMENDED

Many Interesting Addresses on Vital Topics Feature Program in Annual Session

HOT SPRINGS, VA., Sept. 12.—President Harry P. Gallaher called the annual meeting of the International Claim Association to order here Monday morning. Members were welcomed by H. H. Byrd, Commonwealth attorney of Bath county. About 200 members and guests were in attendance at roll call.

Mr. Gallaher, who is superintendent of the bureau of investigation, Mutual Life of New York, read his presidential address.

#### President Gallaher's Talk

President H. P. Gallaher in his address said that for many years large portions of the public regarded the claim department as the means instituted by insurance companies to avoid just liabilities. They failed to recognize that the companies like all other business firms must watch expenditures closely. They lost sight of the fact that no reputable company wishes to avoid the payment of a just obligation but that all claims must be scrutinized in order that fraudulent and unjust claims may be detected and denied. He said that by inculcating his standards into so many companies engaged in the handling of claims and by welding claim practice into a homogeneous method, the International Claim Association has demonstrated to policyholders, agents and beneficiaries that claims are properly settled and that in the variety of cases they are expeditiously handled.

The treasurer's report by F. L. Templeman, manager of the accident and health department, Maryland Casualty, showed a balance on hand at the close of the fiscal year of over \$7,500. E. D. Milles, Equitable Life, chairman of the entertainment committee, told of the many features arranged for the members and guests. John J. King, vice-president Hooper-Holmes Bureau, read the report of the librarian, Bayard P. Holmes.

#### Committee Reports

Thomas F. Hickey, Metropolitan Life, reported for the program committee. G. B. Smith, Loyal Protective, reported as chairman of the hotel and accommodations committee. N. Barratt Walker, United States Fidelity & Guaranty, chairman of the legal committee, reported that Senator Norris' anti-removal of suit bill had made no progress the past year and probably would not do so but that the committee members are keeping their eyes on it. H. H. Shomo, American Casualty, reported as chairman of the press committee. The following amendment to article 4 of the constitution of the association, proposed by C. O. Pauley, of the Great Northern Life, was unanimously adopted:

#### Text of Amendment

"Section 1.—There should be an executive committee to consist of the president, the vice-president and the secretary, and six members, making nine members, of whom five shall constitute the full percentage of risk that

## Great Prosperity Growth Attributed to Insurance

Tremendous growth of insurance in recent years has been attributed by many observers to the unprecedented increase in prosperity in the United States, but a contributor to Travelers "Protection," amplifying one of the points made recently by President Louis F. Butler of the Travelers companies in an article "How Insurance Has Promoted Prosperity," believes this is putting the cart before the horse. Instead he hazards the opinion that insurance has released billions of dollars for investment or buying purposes which otherwise would have been tied up in small reserves against business depression, fire and other acts of God and man, thereby relieving both individuals and institutions of the "loss threatening" risks and permitting them to undertake the "profit promising" risks.

"American business institutions have made tremendous forward strides since the turn of the century, and particularly in the past 10 years," the contributor wrote. "Since 1922 we have been enjoying an era of prosperity such as never before been experienced in the history of the world. During this same period there has been a corresponding increase in the volume of practically every line of insurance in force.

#### Another Explanation

"Superficial observers have attributed the growth of insurance to the increase in prosperity. But isn't it barely possible that . . . insurance has enabled men to undertake these many 'profit-promising' risks, which have been so successfully carried forward until they now have become our great railroads, public utilities, industries and engineering projects? Is it merely a coincidence that the most heavily insured nation in the world should also be the leader in industry and prosperity?

"Every man has to take certain financial risks if he hopes to get ahead in the world. The man who wishes to enter a profession must spend thousands of dollars and years of time in securing his education and training—taking the risk that at the end he may find that he is not suited for the work for which he has trained.

"The man who quits a salaried position to become a salesman, or to enter a business of his own, takes the chance that the income he will be able to earn by his own individual efforts may not equal the income that he was previously receiving in the form of a salary. The merchant must invest a considerable sum of money in stock, fixtures and equipment, with no assurance that he will be able to conduct his business at a profit.

#### Danger in Many Risks

"But, while the acceptance of certain risks is almost essential to a man's success, the acceptance of too many big risks is almost certain to result in his failure. The more risks a man takes, the more likely that one out of that number will turn against him. And if a man's credit is stretched almost to the breaking point by the carrying of a large number of risks, an unexpected heavy loss can easily bring the whole structure tumbling down about him.

"There are two types of risks that every man who is on the road to achieve success must take. First, there are those legitimate business risks which might well be termed 'profit-promising.' And, second, there are such risks as death, permanent total disability and severe accidental injury which threaten everyone. And such common dangers as: Loss of home or business property by fire or windstorm, loss resulting from liability for persons killed or injured by his automobile, or on his property, loss by burglary or theft and other similar losses that threaten every automobile or property owner.

"If there were no way by which a man could shift from his own shoulders his share of these inevitable 'loss-threatening' risks these alone would constitute the full percentage of risk that

he could safely carry. As a matter of fact, in many cases these alone would constitute a much greater percentage of risk than he could afford to carry, and to keep within the reasonable bounds of safety he would have to dispose of his automobile to obviate this risk, or build up reserves out of his earnings to provide against such contingencies as death, disability or fire.

#### Other Dependence Needed

"But where would a company find the money with which to expand, if it had to use its own surplus to build up a reserve to replace its present plant if it were destroyed by fire? What investment house would attempt to market a bond issue secured by business property, if much of the security might be wiped away at any time by fire? Could an investor afford to place his surplus funds in a speculative enterprise, if such funds were all that stood between his family and destitution in case of his death or total disability?

"Could he afford to place this money where it would not be readily liquidated, if he suddenly needed it to replace his burned home, or to meet a judgment for damages? Would a man feel free to spend his money for an automobile or a radio set, if his savings were all that his family would have to live on in case of his death?

#### Great Contribution Shown

"Thanks to the many forms of insurance, a man is now able to hand over most of these 'loss-threatening' risks to an insurance company, at an annual cost, in certain cases of less than one-thousandth of the threatened loss. This leaves him free to assume some of the attractive 'profit-promising' risks which are presented to him, without danger of over-extending himself. This is the great contribution of insurance to American prosperity, and as it applies to business institutions as well as to individuals, its importance can hardly be over-exaggerated."

## Chicago Delegation Is Strong for S. T. Whatley

The Chicago Life Underwriters Association will send a very representative and perhaps the largest delegation that has ever gone from that city to an annual meeting of the National Life Underwriters Association, to the forthcoming convention in Washington. The cause for this unusual interest in Chicago is the candidacy of S. T. Whatley, Chicago manager of the Aetna Life, for the presidency. He is now vice-president of the national body. The Chicago association is to a man back of Mr. Whatley for the high office. An enthusiastic body of life underwriters therefore will go to Washington to help put Mr. Whatley over.

## Complete Plans for Convention

Preliminary Registration Points to Record Attendance at Washington

### ALBRIGHT IS ON PROGRAM

May Broadcast Parts of Session—Managers' Schedule Given Out by Holcombe

NEW YORK, Sept. 12.—Roger B. Hull, managing director, and M. L. Hoffman, assistant managing director of the National Association of Life Underwriters, were in Washington, D. C., yesterday conferring with the men in charge of plans for the annual convention to be held there Sept. 24-27. Numerous details for the week's conclave were worked out and some of the finishing touches were put on the program, whipping both the business and entertainment features into final shape for the forthcoming session.

#### Record Registration

It now seems assured that this will be the record convention of the association from point of attendance, well over 1,000 having registered up to Monday of this week, the largest pre-convention registration in the records of the organization. With the normal last minute rush of registrations, it now appears that all available accommodations will be taxed to capacity. The association is making a final drive for records all the way around and is now within sight of the huge goal of 20,000 members by that time. Last week the membership roster had reached nearly 19,000 and additional efforts are being exerted by local units to add the 1,000 which will put the organization over the 20,000 mark by Sept. 24.

#### Program Additions

One additional speaker has been announced, Dr. Charles E. Albright of the Northwestern Mutual Life, one of the outstanding producers of all times. Dr. Albright will take as his subject, "Methods Through Which I Have Managed to Sell Over \$52,000,000 Life Insurance in One Company in 24 Years." It has been estimated that Dr. Albright has thus produced one two-thousandths of the total first hundred billion now on the books, a sizeable proportion for a single underwriter. It is also announced that Edward McMahon, insurance trust officer of the Equitable Trust Company of New York, will speak on "The Place of the Insurance Trust Officer in the Era of the Second Hundred Billion," linking his important theme of the life insurance trust with the general convention theme. A change in topic is announced for William B. Burruss, who was going to speak on, "Stowaways." He will give his famous talk on "Shakespeare, the Salesman," for which he is known throughout the country and which he is repeating at popular request. He will also change his position on the program, speaking Wednesday afternoon and Mr. Hull closing the convention program with his talk on Friday afternoon.

#### May Broadcast

Some national publicity is possible for the association and its program, arrangements being considered by which the National Broadcasting Company will send out over its national chain of stations certain speakers. It is certain that the Thursday morning "setting up" exercises by Arthur E. Bagley of the

(CONTINUED ON PAGE 22)



## Small Producer Is "Too Expensive," Luther Says

### IN FAVOR OF HIGH MINIMUM

**Aetna Life Closes Series of Regional Meetings with Eastern Gathering at Asbury Park, N. J.**

"The time is coming when insurance men will be required to write a substantially high minimum of business if they are to hold their contracts with us," said K. A. Luther, vice-president of the Aetna Life, in his closing remarks at the eastern regional meeting at Asbury Park, N. J. "The cost of maintaining the small producer is becoming too expensive," he said.

The Asbury Park meeting was the fifth and last of the Aetna Life's regional meetings. The others were held as follows: Central states agents, Mackinac Island, July 23-25; western states and Canadian agents, Winnipeg, Aug. 1-3; Pacific Coast agents, Del Monte, Cal., Aug. 8-10; and southern states agents, Biloxi, Miss., Aug. 15-17.

About 200 others were in attendance at the meetings—home office represent-

atives, general agents, supervisors and guests. A staff of home office men made the rounds of the five meetings and talked at each on the various home office angles of the business. The home office staff consisted of K. A. Luther, vice-president; W. H. Dallas, assistant vice-president in charge of underwriting; Dr. P. M. Cort, associate medical director; Ralph Keffer, assistant actuary, and P. W. Watt, superintendent group division.

In his discussion of underwriting Mr. Dallas brought out that results of the so-called "boom" period of life insurance following 1923 are shown in the higher mortality rate for life companies.

"Quick deaths, a visible tendency toward speculative buying of life insurance and over-insurance," he said, "are other factors which are causing the life companies great concern. There have occurred an excessive number of 'quick deaths' in large cases."

The much engaging subject of aviation insurance was touched on briefly by Mr. Keffer. He referred to the statement often made that there is no more hazard connected with the operation of airplanes than there is connected with the operation of automobiles. "Its inconsistency is made clear," he said, "when you consider that if the deaths from automobiles occurred as frequently in proportion as they occurred in 1928 from the operation of airplanes, there

would be from 4,000 to 5,000 such deaths each day in the year."

He went on to say that it is hoped insurance companies will soon be able to determine at least some classes of aviation risks, but that there still is a real hazard connected with the operation of airplanes, even under the best conditions, and that insurance companies must move carefully before they undertake such risks.

## Atlas Life of Tulsa, Okla., Holds Annual Convention

The Atlas Life of Tulsa held its annual convention last week. Vice-President William Hargis Walker was toastmaster at the banquet. Talks were given by President Harry Rogers, Judge Standeven, vice-president, and Elmer Jacobs, vice-president.

The Atlas Life agents wrote \$1,500,000 in new business in July as a testimonial to President Rogers. At the meeting a \$200,000 club was formed in addition to the regular \$100,000 organization. The officers of the Super Service Club for 1929 are: President, Harry Hudson, H. B. Anderson, first vice president, Ray Matthews, second vice-president, and Jewell S. Jones, third vice-president.

## Sylvia Card Whistles and Prospects Respond

Miss Sylvia M. Card of Detroit is a member of the \$250,000 Club of the Security Life of Chicago. Miss Card formerly sold insurance for the Manufacturers Life of Canada and transferred her allegiance about a year ago to the Security Life. She is making a decided success in her home city. Along with her other accomplishments Miss Card is a very efficient whistler. She plays her own piano accompaniments and delights many people with this art. As Vice-President S. W. Goss of the Security Life says, "Miss Card whistles and the prospects come to her."

## Regular Follow-Up of Clients Urged

"The modern sales agent of any product," said Floyd A. Allen, assistant to the president of the General Motors Corporation, in an address to the convention of the National Association of Insurance Agents this week in Detroit, "is not content when the sale is consummated. There must be a regular follow-up of every sale, an analysis of the reasons for that sale, an intimate and accurate knowledge of the background, so to speak, of that sale, all in preparation of another sale to be made next year. A strictly modern, intelligent automobile salesman for instance, must know almost the entire family history, prospects, business, connections, etc., of every buyer in his district. This knowledge is essential in enabling him to approach his customer with the statement that: 'Two years ago last February, you bought your present machine from me and so far as I know it has given you pretty satisfactory service. Aren't you ready now to consider a new one?' Or a question something like this: 'I believe your oldest son is about 20 years old. Aren't you about ready to consider one of our small cars for him?' This is what I call an intelligent approach. It can be based on a move of the family from one location to another, or a change of position, a promotion in business, which ordinarily carries an increase of salary. Such an approach implies a knowledge of conditions as they exist. It is complimentary in its nature and expresses a certain cooperation of interest, all of which is conducive to a courteous reception. And still, with all our talk about intensive selling, there are very few firms indeed who follow up their sales to anything like the degree which I have indicated. The field of new prospects which might be uncovered by such measures is almost unlimited. That criticism, if you call it such, applies to your business."

### Gem City Life Staging Contest

Agents of the Gem City Life of Dayton, O., are staging a production contest in September, October, November and December. It is called the Red and Blue Elephant Contest. This contest was held several years ago and proved so popular with the agents of the company that they requested that it be held again this year. C. P. Ridge of Marietta, O., is captain of the Red Elephants and Charles J. White, Piqua, O., is captain of the Blue Elephants. The two sides were arranged on a basis of average production. Prizes will be offered at end of each month to leading general agents and agents. At the end of the year, prizes will be distributed to the leading general agent and agent for aggregate production. Final prizes will be distributed at the company convention which is to be held in January at the home office.

# ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA



Royal Union Life Building  
Cor. Seventh and Grand Ave.,  
Des Moines, Iowa

## Agency Opportunities

We now offer liberal general agent's contracts to desirable men who want territory in Ohio or Missouri.

The Royal Union writes all standard policy forms, including an exceptional line of children's contracts!

For full particulars write us.

# ROYAL UNION LIFE INSURANCE COMPANY

DES MOINES, IOWA

A. C. TUCKER, President

## Parsons in Active Charge of Pacific Mutual Sales

### BAKER STILL CONVALESCING

Directors Promote Moore and Dr. Lee to Official Positions at Home Office

Arthur C. Parsons, vice-president of the Pacific Mutual, has been elevated to the post of vice-president and superintendent of agencies, taking over the work of Vice-President Danford M. Baker, who has been seriously ill for a long time. Vice-President Baker is now reported by President George I. Cochran to be making satisfactory progress toward health, but his slow convalescence makes it necessary to put someone else in active charge of the life and accident departments.

Vice-President Parsons formerly was assistant superintendent of agencies. He had a rapid rise with the Pacific Mutual, going with it in 1922 after leaving a lucrative post in a real estate business and becoming San Francisco manager for the life company. He was promoted to the home office in 1924, taking a post in the agency executive department and since becoming assistant superintendent he has done much traveling and has made many appointments in the field.

#### Two Others Elevated

The directors in the same meeting in which they promoted Mr. Parsons, also elected Douglas E. C. Moore, assistant counsel, to the post of junior vice-president, in recognition of his 23 years of service with the Pacific Mutual, and Dr. L. H. Lee was appointed assistant medical director.

Mr. Moore spent his vacations during most of his school years, and until he finished college, in various departments at the home office, and then during the world war, took a special course at Annapolis and became signal officer on the battleship New Hampshire. After the war he studied law and was admitted to the bar in 1921. He entered the company's legal department in 1919, and has been adviser to the accident and agency departments and in charge of all matters affecting the company's corporate existence.

Dr. Lee received his degrees at the University of Nebraska in 1921, and after some years of practice did research work at Northwestern University, Evanston, Ill. He is now in the east visiting companies' medical departments to acquaint himself with life underwriting from the medical standpoint. Dr. Lee is not a stranger to Pacific Mutual workers as he has contributed several articles to the company's magazine in recent months.

## Penn Mutual Abandons Regional Meeting Plan

The Penn Mutual has abandoned the regional convention and will this year offer its agents a single convention to be held at the Chateau Frontenac in Quebec, Sept. 16-19. The program has been some months in the making in the hands of Vice-President Hugh D. Hart and Vincent B. Coffin, director of education. There will be outside speakers of national note.

Four sessions will be presided over, respectively, by Will O. Ferguson, Los Angeles general agent, Mr. Coffin, J. Elliott Hall, New York general agent, and Frank H. Davis, general agent in Denver. This will be the seventh year in which the Penn Mutual has held a convention chiefly for special agents. Previous to 1923 its meetings were under the auspices of the Penn Mutual Agency Association, a single conference each year, the attendants being almost exclusively the company's general agents and home office executive staff.

## Tuberculosis Disability Covered By Dr. Stockwell

### TALKS AT HOT SPRINGS, VA.

Sanatorium Official Delivers Interesting Paper on Vital Subject at Claim Men's Meeting

An elaborate and interesting paper on "Tuberculosis As a Disability," answering many questions proposed in the past by members, was the contribution of Dr. William M. Stockwell, superintendent and medical director of the Cedarcrest sanatorium, Hartford, at the annual meeting of the International Claim Association in Hot Springs, Va., this week.

The paper was of particular importance because this disease is one that concerns underwriters more than any other single cause, statistics showing that upwards of 35 percent of disability claims are for tuberculosis and that 20 percent occur in the first year.

Dr. Stockwell said in part:

#### Excerpts from Address

"Everyone recognizes that tuberculosis is a disability. About one-third of all disability claims are for tuberculosis and the large majority of these is of the pulmonary type—in fact such a large majority, that I will not consider the nonpulmonary forms. The selection of cases and the elimination of tuberculosis in this selection has received a great deal of consideration from the medical directors.

"The chronic type of tuberculosis is by far the most important. These are the ones who may have a disability lasting for years, or many of these by proper treatment may be restored to useful lives. This is the real salvage group which pays returns on the investment.

"Disability in tuberculosis is due to two factors—1, destruction of lung tissue and, 2, results of toxemia. Destruction of lung tissue is the least important. Nature has overendowed us with practically every necessary tissue in the body and we could function if we had only about half the lung tissue that we have.

"The toxemia is responsible for the disability in most of these chronic cases; it is the poison which is responsible for practically all of the disability symptoms, the fever, rapid pulse, night sweats, weakness and loss of appetite; this toxin is a poison to all of the functioning tissue in the body and the symptoms produced by it are an index as to the amount of activity."

## Anniversary Spurs Staff to \$10,000,000 Production

The Jefferson Standard of Greensboro, N. C., in August observed the 22nd anniversary of its founding by writing 3,393 applications for \$10,068,300 new business. This was an increase of approximately 25 percent over August, 1928, and was the best August in the company's history. Only \$220,000 reinsurance was included in the total. This increase followed the 15 percent increase in July, and September started off with indications of a continued increase, the home office receiving 217 applications for \$881,900 new business on Sept. 2. North Carolina agencies led in production. Nineteen branch offices made or exceeded their assigned quotas in August.

#### B. M. A. Has Record Month

The Business Men's Assurance experienced its biggest month in August, with \$3,416,412 of life insurance paid for, representing a gain of \$834,402 over the same period last year.

## Factor in Merger



T. W. APPLEBY

President Troy W. Appleby of the Ohio National Life of Cincinnati figured conspicuously in the purchase of the Grange Life of Lansing, Mich., which will be merged with the Ohio company. Mr. Appleby obtained his master of arts degree at the University of Chicago. He entered the insurance ranks through the actuarial route. He was formerly a professor of mathematics. He started his insurance career with the old Central Life of Ottawa, Ill.

## First \$100,000 Club Meet of Bankers National Held

Agents of the Bankers National of Jersey City, N. J., attended their first \$100,000 club convention at the home office early this week. There were only seven members actually entitled to the honor. H. A. Baron, Philadelphia; S. Rapaport, Providence, R. I.; R. C. Wiggins, Cleveland; F. Stansinski, Bay City, Mich.; A. M. Ross, Rock Island, Ill.; Volk & Greenspan, Union City, Mo., and L. H. Marshall, Newark, but J. A. Dugan, Bayonne, N. J.; A. Halpern, Jersey City and A. Eisenstadt, Jersey City, were courtesy members, and J. A. McKay of Jersey City, general agent, was a guest.

President Ralph R. Lounsbury welcomed the agents at a luncheon Monday and the rest of the day was taken up with tours of the home office, a visit to the office of General Agent McKay, explanation of new policies and forms, an open forum conducted by George Ramee and dinner and theater party in New York.

Brief chats Tuesday morning by department heads were followed by open forum on "Exchange of Selling Ideas" conducted by Arthur Howell, a question box conducted by President Lounsbury, and the afternoon was devoted to entertainment. Visiting agents were guests of the company at a luncheon in New York and attended the game between the New York "Yanks" and St. Louis at Yankee stadium in the afternoon and a convention finale banquet in the evening at which Mr. Ramee presided.

#### Doscher Joins Sales Staff

C. D. Doscher, who recently resigned as field organizer for the National Association of Insurance Agents, has joined the sales staff of THE NATIONAL UNDERWRITER and will make his headquarters in New York City. In his new work Mr. Doscher will conduct subscription campaigns and will build up the circulation of the various NATIONAL UNDERWRITER publications in the east.

## Whatley's Candidacy Given Impetus by Illinois Group

### CHICAGO MAN RECOMMENDED

State Association Adopts Resolution Calling Local Bodies to Help Elect Him National President

An official boost was given to the candidacy of S. T. Whatley, general agent in Chicago of the Aetna Life, for election to the presidency of the National Association of Life Underwriters, by the executive committee of the Illinois association at its recent meeting in Bloomington. The state body urged that all local associations in Illinois adopt resolutions endorsing Mr. Whatley and send copies to the advisory nominating committee of the National association. The Illinois association's resolution stated: "Whereas consideration in this meeting was given to the candidacy of the president of the National association that it would be essential and advisable to bring about if possible this honor to the state of Illinois with a knowledge that our state would well represent all the central states in the National association,

"Whereas, the state of Illinois offers as a candidate Mr. S. T. Whatley of Chicago, an ideal man, who we feel would reluctantly shoulder the burdens of such an honor,

"Therefore be it resolved that the executive committee of the state association do hereby recommend to the various local associations in the state and their friends that they pass a resolution endorsing the candidacy of Mr. Whatley and send a copy of this resolution to the advisory nominating committee of the National association."

The state association's action follows closely upon inauguration of the campaign for Mr. Whatley's election by the Chicago Association of Life Underwriters.

## Northern States Life Has Its Annual Agency Outing

The annual agency outing of the Northern States Life of Hammond, Ind., was held at Breezy Point on Big Pelican Lake in northern Minnesota. Agents from 11 states motored to the convention with their wives. The outing was known as the "Bar C" Club, a name derived from the Roman numeral 100,000, and those who qualified for membership had secured the quota of \$100,000 of new insurance.

C. Edwin Johnson, vice-president and agency manager, in behalf of the company officials, extended a welcome to those present and installed the officers of the club. The offices of president and vice-president were automatically filled by the two agents, who completed their quota first, Frank J. O'Rourke becoming president and A. L. Clifford, vice-president. The secretary was appointed by the company officials and W. E. Price, manager of conservation, was selected for that office.

After the installation of officers, Mr. O'Rourke, in behalf of the club, presented a handsome leather traveling bag to Mr. Johnson as a token of loyalty to the new management of the company, and W. H. Padden, for the Wagner-Padden Agency, presented him a huge northern pike, mounted on a beautiful mahogany base, with a pledge of loyalty and renewed endeavor on the part of the company representatives in the northwest.

In the production contest between Michigan and Minnesota, the latter came out victorious and was presented with a brown jug, similar to the historic brown jug used by the football teams of the universities of the same two states. Possession for three consecutive years constitutes permanent ownership.





**N**OW would you feel if you could not read the news of the world? No newspapers, magazines, books, letters, not even a danger sign or a warning notice?

Somewhere near you is a grown person groping in the dark, in many ways helpless as a child, because he cannot read or write. You can bring sunlight into his darkened life. More than that, you may be the means of bringing him better health.

Today he cannot read messages on disease prevention. He does not know, unless someone tells him, important rules of health or how to keep his family from having diphtheria, smallpox, or typhoid fever. These and other preventable diseases often make illiterate localities their breeding places and thus endanger the health of the educated, despite their precautions. Perhaps you share the mistaken belief that it is impossible to teach grown-up illiterates and that they are content to be illiterate.

Get the confidence of an illiterate and ask him if he would like to read and write. Tell him he can learn to write his name in 30 minutes and read in a few months. In all probability his eager response will amaze you.

*"Thank God!  
At last I'll be able  
to read and write."*

It may surprise you to learn that the majority of illiterate persons in the United States are native born. Many of them have never had a chance to

learn and do not know where to look for instruction.

Illiterates are not hard to find—a servant, a farmhand, an employee in your own or your neighbor's shop, a laundress, a deliveryman; a laborer in your neighborhood.

There are more than 5,000,000 men and women in the United States who cannot read health messages—more than 400,000 of them are in the State of New York, more than 300,000 in Pennsylvania, about 150,000 in Massachusetts. You can find them in every State of the Union—in cities, in towns and in country districts.

Will you give someone a present that he would not exchange for hundreds of dollars—the ability to read and write—a present which costs you nothing?

Find your illiterate. If you will help him to learn to read and write, the Metropolitan Life Insurance Company will send you, free of cost, grooved writing pads and illustrated lessons for beginners.

Ask for Booklet 9NU9.

**METROPOLITAN LIFE INSURANCE COMPANY**  
FREDERICK H. ECKER, President -- ONE MADISON AVE., NEW YORK, N. Y.

## Prudential Makes Several Promotions in Home Office

SURVEYS 54 YEARS' RECORD

Death Claim Payments of More Than \$1,000,000,000 Seen as Great Good Will Aid

Several promotions in the official staff at the home office are announced by the Prudential. James F. Little becomes second vice-president and associate actuary, F. A. C. Baker, Henry B. Sutphen and John P. Mackin are new second vice-presidents, and Arthur C. Metz and B. H. Harris, assistant secretaries.

In a summary of its death claim payments since organization the Prudential points to the gigantic total of \$1,000,000,000 as a great aid in the creation of friendship and good will. It is revealed that the Prudential since its inception in 1875, had paid by the end of June, 1929, 5,102,790 death claims for a total of more than \$1,000,000,000.

### Record This Year

In the first six months of 1929 the Prudential paid 199,289 claims for more than \$66,000,000, or 1,454 claims for about \$485,000 on each working day of the period. A striking vindication of life insurance as a great necessity is found in the fact that of the claims paid during the first six months of 1929, 13,063, for a total of \$4,452,996.59, were on policies which had been in force less than one year.

## Program Is Announced for the Agents Meeting

At the annual meeting of the agents of the Massachusetts Mutual Life, Sept. 16-18, James M. Blake of Philadelphia, president of the agents' association, will preside. President W. H. Sargeant of the Massachusetts Mutual Life will give the welcome. Robert F. Wright of Syracuse will speak on "What a full time underwriter should consider the minimum requirement of performance to merit such classification." W. Scott Smith of St. Louis, L. E. Simon and B. Z. Nelson of Boston will give some prepared sales plans that have been proved successful. Prof. R. C. Borden and Prof. A. C. Busse, both of New York University, will speak on, "The business of selling" and "How to win a business argument." Dr. S. S. Huebner of the Wharton School of Finance & Commerce of the University of Pennsylvania will speak. Henry W. Abbott of Pittsburgh will be a speaker the last day as will John M. Murphy of Chicago. John W. Yates, general agent at Detroit, will close the convention.

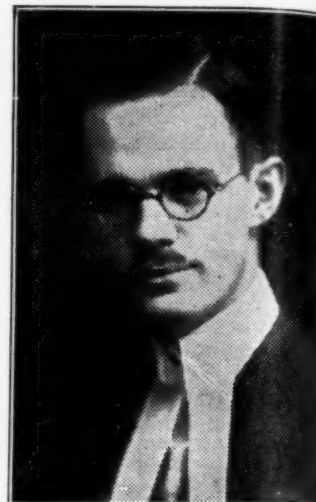
### Institute Takes Contract

PHILADELPHIA, Sept. 12.—Drexel Institute today became one of the first universities in the country to recognize life insurance as an economic factor when its board announced a social insurance plan, underwritten by the Metropolitan Life. The plan gives faculty and staff members retirement annuities, group life and disability benefits and is said to be one of the most comprehensive ever adopted by any university. It would enable faculty members to receive pensions as large as 50 percent of the average salary.

### Dr. Russell Medical Director

Dr. Samuel J. Russell has been chosen medical director of the Calumet National Life of Chicago to succeed Dr. W. S. Sadler. Dr. Russell is a well known Chicago physician who is medical director of the United Insurance Company and the United States Mutual.

## Official Host



R. LEIGHTON FOSTER

R. Leighton Foster, superintendent of insurance of Ontario, who will be the local official host at the meeting of the National Convention of Insurance Commissioners at Toronto, is a well known figure at insurance commissioners' conventions. He has been present at the meetings of the National Convention of Insurance Commissioners for a number of years. Mr. Foster has during the last two years endeavored to get the commissioners to hold their convention in Canada and at last succeeded. He is a man of most delightful personality. He was educated at the University of Toronto school, McMaster University and Osgoode Hall. He is now secretary and treasurer of the Association of Superintendents of Insurance of the Provinces of Canada. He is an attorney.

## National Guardian Life Field Forces Gather

Over 50 agents of the National Guardian Life of Wisconsin took part in the convention of its field forces held at Green Lake, Wis. The feature of the meeting was the address by W. L. Boyce, head of the Equitable Life of New York Syracuse agency.

In speaking about joint soliciting he said in using this plan agents work harder in a day, harder with the prospect, and make it more difficult for the prospect to put over effective excuses. In joint soliciting the local man introduces the other man as a specialist on the particular contract he is presenting and thereafter remains silent. The specialist must have a carefully prepared canvass.

### Beecher Conducts Round Table

The balance of the meeting was devoted to a round table discussion in charge of Vice-president B. S. Beecher. William D. Byrns and Frank Neu led a discussion on "Life Insurance as Property." "Standard Presentations" was treated by A. V. Hurst and C. E. McMullin and a discussion on "Prospect Selection" was led by S. J. Stevenson and H. M. Tofson.

Announcement was made by President G. A. Boissard that qualification for attendance at the next year's convention will be on a 13 months' basis, the object of extending the period being to hold the convention as a celebration in honor of the company's 20th birthday which will occur on Oct. 11, 1930, and it is hoped in celebration of the fact that the company will then have reached the \$50,000,000 in force mark.



## Pacific Mutual Announces General Agents' Program

### CONVENTION IN WASHINGTON

Noted Speakers in Attendance at National Association Convention Have Been Secured

Program for the annual convention of the Pacific Mutual's General Agents' Association in Washington, D. C., Sept. 23-24, announced by the company this week, offers a great many attractions due to the fact that the annual meeting of the National Association of Life Underwriters will be held the succeeding two days and many notables will be in attendance.

John Marshall Holcombe Jr., manager of the Life Insurance Sales Research Bureau of Hartford, will conduct a one-day school for life managers in company with his assistants in the bureau. Subjects will be "Selection and Training of Agents," "Supervision and Stimulation," "Financing," "Conservation," "Planned Agency Building," "Organizing Managers' Time," "Describing and Selling the Job."

#### Several Noted Speakers

John H. Russell, president of the association, and Carroll C. Day, chairman of the executive committee, will give their reports. Among the speakers will be Arthur C. Parsons, newly elected superintendent of agencies, who also is vice-president of the Pacific Mutual; Vincent B. Coffin, educational director of the Penn Mutual, whose talk will be "The Heart of the Manager's Training Problem;" Carroll C. Day, "Standardized Plan of Induction of New Men;" Frank Schwenker, "Advertising by General Agents;" Walter Gastil, who will report on his work of developing an agent's soliciting gift, and Frank Fitts whose subject will be announced later.

The annual banquet will be held the second night. Mansur B. Oakes, president of the Insurance Research and Review Service, is one of the speakers, his topic being "Definite Planning Within the Agency." Abner Thorp, Jr., editor of the Diamond Life Bulletins, will speak on "A Practical Training Course for the General Agency, Regardless of Size."

### Fall Meeting of Chicago Actuarial Club Sept. 12

First fall meeting of the Chicago Actuarial Club, organized last spring, was held Thursday evening, Sept. 12. W. O. Morris, vice-president of the club and connected with the North American Life of Chicago, led a discussion on "Office Methods for Attained Age Valuation." In addition there was discussion of the paper prepared by L. A. Glover, which was read at the last meeting but not discussed because of his absence. The program committee consists of J. F. Williams, Mr. Morris and W. M. Johnson. G. W. Myers of the Continental Assurance and Casualty companies of Chicago is president of the club and A. R. Thompson, associate actuary and assistant secretary of the Federal Life, Chicago, is secretary. There are about 30 members.

### Provident Mutual Life Cuts First Year Lapses

The Provident Mutual Life has announced that the agents' first year's commissions on premiums payable on the half yearly basis will be computed by applying the commission rate to the premium and not by taking a proportionate part of the commission on the yearly basis. When the Provident Mutual adopted the method of prorating

the first commission on the half yearly and quarterly premium from the annual rate, the first year's lapse ratio was running in the neighborhood of 14.8 percent. An investigation showed that the yearly business had a good lapse rate but the half yearly and quarterly business had respectively two times and four times the lapse rate of yearly business.

The pro rata plan has worked as a silent reminder that the yearly business means more money to the agent because it has a lower lapse rate and there is less trouble in connection with the overdue premium. The effect of the plan was immediately noticed in a shift toward the yearly payment. In 1926 the Provident Mutual's yearly premium policies amounted to 46 percent of the total, while today they are 67 percent. The half yearly percentage has shown relatively little change but there has been a marked reduction in the proportion of quarterly business. He said the changes had contributed to a reduction in the first year lapse rate for the first half of 1929, which was 11 percent.

### Bankers Guaranty Life to Move to Kansas City

KANSAS CITY, MO., Sept. 12.—With the purpose of eventually bringing its home office to Kansas City, so that it may operate under a Missouri charter, the Bankers Guaranty Life of Dallas, Tex., has established a district office at 300 Victor building here, with N. H. Childress as manager.

It recently bought the Ozark Mutual, which had about 10,000 policyholders. It plans to develop Missouri from St. Louis and Kansas City, and within the next few months to move the home offices from Dallas here. P. J. Knottgen, one of the owners of the company and formerly of Texas, is agency director. Missouri, Texas and Arkansas have already been developed and Kansas will be entered soon.

Mr. Childress, though he has been out of the life insurance business for some time past, has had 15 years' experience with various companies, notably with the Capitol Life of Denver and the Metropolitan Life.

W. T. Patterson is president; Lloyd Patterson, vice-president and manager of the Texas division; G. E. Burson, secretary; Albert G. Ingalls, treasurer, and C. P. Chamberlin, general superintendent of agencies for Missouri and Texas. The company has over \$50,000,000 insurance in force, and sells on the "club" plan.

### Luncheon Tendered New Chicago Travelers Staff

A luncheon to welcome the new managers that have been added to the staff of the Chicago office of the Travelers life department was held Tuesday with Manager Edward B. Dudley in charge. Mr. Dudley introduced his new aides to the agents present.

Henry E. Tank, assistant manager, explained a new welcome contest which will be held during the remainder of the year. Fred L. Mason Jr., first assistant manager, urged the agents to use the insurance binder which is issued with the policy and which the agent can use in getting an additional application when he delivers the policy. He also approved of the temporary time acceptance which is given an applicant after he is examined and which covers him until the policy is issued. This enables an agent in collecting the premium and also assures him that the customer will accept the policy when it is delivered.

Perry T. Carter, manager in the group insurance department, said an agent should sell group insurance because it offers a complete service to his client. The best way to avoid competition, he said, is to solicit all lines so there is little chance for a competitor to enter with something new.

## General Agency LOUISVILLE

KENTUCKY

and adjacent territory

*Liberal First-Year Commission*  
*Splendid Non-Forfeitable Renewals*  
*Generous Expense Funds*

The man we seek is one who is successful. He is probably one whose further progress is hampered by prevailing circumstances over which he has no control. He is ambitious, farseeing, and energetic. He knows how to organize and inspire a sales force. His health is good. His character is satisfactory. This man has a worthwhile opportunity awaiting him in our staff of General Agents.

We assist our General Agents in securing salesmen. Our Sales Promotion service helps the individual producer.

We write low net cost Participating and Non-Participating insurance on both sexes, from 30 days to 65 years of age. Our Juvenile plans are leaders of value.

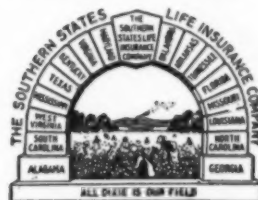
It will pay you to investigate this attractive opening to advancement for yourself.

Address Confidential Inquiry to

E. S. ALBRITTON

Vice-President and Manager of Agencies

THE  
SOUTHERN STATES  
LIFE INSURANCE COMPANY  
ATLANTA, GEORGIA



Wilmer L. Moore, President

## Semi-Annual Company Statements

(As reported to the Governor of Georgia)

	June 30, 1929		Jan. 1 to June 30, 1929	
	Assets	Surplus	Income	Disburs.
Acacia Mutual .....	\$ 30,195,077	\$ 1,148,787	\$ 5,283,394	\$ 2,903,877
*American Bankers .....	5,094,112	385,911	1,246,509	1,116,794
Bankers Reserve .....	20,615,335	1,940,740	2,453,684	1,867,938
Berkshire .....	45,413,343	2,379,836	4,629,118	3,804,380
Carolina Life, S. C. ....	1,179,730	117,641	507,485	431,659
Columbian National .....	39,657,293	3,421,568	4,649,170	3,499,446
Fidelity Mutual .....	86,049,801	4,647,215	9,702,899	6,826,069
George Washington .....	5,946,737	480,842	518,030	415,251
Hime Life, N. Y. ....	69,490,098	3,939,805	7,930,306	5,776,800
Inter-Southern .....	19,727,320	1,980,155	2,783,804	2,529,386
*Life & Casualty .....	10,290,508	2,272,758	4,384,531	3,529,265
Maryland Life .....	5,675,002	466,512	409,944	346,122
Morris Plan .....	1,311,157	946,412	465,651	354,678
Mutual Benefit .....	529,120,834	32,120,834	57,016,186	42,060,804
National Life, U. S. A. ....	58,237,044	5,967,536	5,704,388	4,976,945
National Life, Ia. ....	5,085,634	325,160	1,093,089	901,835
N. C. Mut. (col.) .....	3,428,685	122,345	981,425	943,472
*Peninsular Life, Fla. ....	888,397	288,526	649,822	614,649
Phoenix Mutual .....	132,896,323	7,554,138	14,743,564	9,393,457
*Pilgrim H. & L. (col.) .....	409,730	145,668	490,759	500,479
*Provident L. & A. ....	4,725,903	1,300,000	2,576,057	2,456,694
Prudential .....	2,139,664,150	.....	289,182,050	179,551,851
Southern, Tenn. ....	1,429,040	.....	233,418	302,365
Southern States .....	8,496,113	316,435	1,082,351	875,956
S. State Mutual, Mass. ....	131,650,683	11,913,736	14,204,974	10,148,834
Sun Life, Canada .....	525,334,510	53,820,982	85,892,893	50,538,505
*Wash. Fid. Nat. ....	1,404,847	695,248	3,212,272	3,281,017

\*Includes accident and health.

President's Club Formed  
in Continental Assurance

A "President's Club" for agents who pay for \$250,000 or more of business has been inaugurated by the Continental Assurance of Chicago, supplementing the One-Two-O Club. The new club year started Sept. 1, and in order to start it off right September has been declared president's month and a special inducement has been offered Continental agents and general agents for production. Every agent who pays for \$25,000 during the month is to receive an electric clock and every general agent whose agency pays for \$100,000 during the 30 days will receive a special electric clock of colonial model. In addition \$25 will be paid each week to the leading producer in volume of business and \$25 to the leader in number of applications. President's month was designated as a particular mark of honor to Herman A. Behrens because it contained his birthday. President Behrens is expecting to return this month from a trip to Alaska and the agents are striving for extra production as a personal tribute and surprise.

## ISSUES FIVE NEW POLICIES

## Northwestern National Life Also Announces Liberalization of Some of Its Old Contracts

The Northwestern National Life has issued five new policies, liberalizing some of its old policies. The new policies are triple guaranteed option policy, guaranteed income bond, single premium whole life with guaranteed annuity income, single premium 20-year endowment with guaranteed annuity income and participating child's 20-payment life policy.

The triple guaranteed option policy provides a level premium and, optionally, a premium reduced at the end of the first, fifth, tenth, 15th and 20th years with no premium after the 25th year. If the level premium is continued for 25 years, it is in effect a 25-year endowment policy. If the reduced premium is paid throughout it is a 25-payment life policy.

## Kern Is Royal Union Director

Peter Kern, for the last 27 years secretary and treasurer of the Roman Catholic Mutual Protective, which was recently merged with the Royal Union Life of Des Moines, has been elected a director of the latter company. Mr. Kern is one of the most widely known insurance executives in the state and has been connected with insurance work for 36 years.

Executive of Asia Life Is  
Guest of Research Bureau

HARTFORD, Sept. 12.—Mansfield Freeman, executive vice-president of the Asia Life, has been visiting the Life Insurance Sales Research Bureau. This company is the pioneer American legal reserve life insurance company in China, with its main offices in Shanghai and branch offices in New York City, the Philippine Islands, Siam, Java, Federated Malay States, Indo-China and Hong Kong.

A graduate of Wesleyan University, Class of 1916, Mr. Freeman became a teacher after the war in Tsing Hua college, Peking, the American college that was established with the Boxer indemnity funds which the United States returned to China. Mr. Freeman has been in the United States since March and will return to China in October.

The Life Insurance Sales Research Bureau, besides its American members, now is represented overseas by the Kyosai Life of Tokio, Meiji Life of Tokio, Teioku Life of Tokio, Nippon Life of Osaka, Slavia Mutual of Prague, La Nacional of Mexico City and La Continental of Buenos Aires.

## Five-Day Week Successful

The five-day week for home office employees during the summer months, tried out this year by the Fidelity Mutual Life, is reported to have "contributed materially to the morale, well-being and pleasure of the home office force without adversely affecting the interests of either policyholders or agents." The company declares that it is well satisfied that this double holiday was a worthwhile innovation. The head office operated Friday until 5 p. m., all mail which would otherwise have gone out on Saturday being cleared up Friday. Saturday morning, in addition to the telephone operator and building force, one competent man reported for duty to dispose of telegrams, telephone calls and wait on policyholders. Premiums and interest payments on mortgages were received but no policy loans were made. Saturday's mail was given priority on Monday morning. This had a tendency to push along the normal work of Monday, and in some instances slightly lengthened the day for some of the departments.

## Berkshire Life Increase

The August production of the Berkshire Life Insurance Company of Pittsfield, Mass., shows an increase of 31 percent over the same month last year. For the first eight months of this year there is a 20 percent increase in new business.

## Eastern Manager



EMERSON R. SMITH

Emerson R. Smith, who has been associated with THE NATIONAL UNDERWRITERS at the Cincinnati office for the past 15 years, has been made eastern manager of the company at the New York office succeeding W. W. Darrow, recently resigned. Mr. Smith is well known in insurance circles, having had charge of the statistical department of the company, compiling such well known publications as the Unique Manual Digest and Little Gem Life Chart in life insurance, the Argus Fire and Casualty Charts and the large number of handbooks or state directories which the company publishes. He is a graduate of the University of Michigan and has spent his entire business life with THE NATIONAL UNDERWRITER. The company feels that its important New York office will be in capable hands and that it will continue to expand under his management.

Various activities are being centered at the New York office. Among recent accessions to the New York office are C. D. Doscher, formerly field representative of the National Association of Insurance Agents, who becomes eastern circulation manager and Glenn H. Wood, advertising manager of the "Casualty Insurer," who will have his headquarters at the New York office.

## COMMISSIONERS IN TORONTO

## Canadian Officials Meet There Sept. 13-14 and Those from United States Next Week

TORONTO, Sept. 12.—Arrangements are now completed for the annual meeting of the Association of Superintendents of Insurance of the Provinces of Canada, to be held here Sept. 13-14, and for the National Convention of Insurance Commissioners of the United States, Sept. 17-19.

A final edition of the program has just been printed. On Sept. 17 the visitors will be the guests of the National Life Assurance for luncheon, in the new building of the company. In the golf tournament, there will be two cups, one for insurance department officials and a second for open competition among visitors. In place of the moonlight excursion in the evening there will be a bridge party.

T. G. McConkey, chairman of the convention committee, is to be chairman of the opening session at which Howard P. Dunham will deliver his address as president of the National Convention of Insurance Commissioners.

Chicago Man Heads "400"  
Club of New York Life

ANDREWS PAYS FOR \$2,631,000

Group of 224 Members Produces \$18,984,740 in Year, or Seventh of Company's Volume

E. Eugene Andrews of the clearing house branch of the New York Life in Chicago heads the \$400,000 club this year with paid business of \$2,631,000. He started as a small writer in 1890 and ever since then has won leading positions in the "200" and "400" clubs. He has been seven times in the millionaire class and his total paid business in the club from 1897 to date is over \$21,000,000.

The five vice-presidents at large with total paid business of \$5,564,924, or an average of \$1,112,984 apiece, are: Alexander Dumas, Seaboard branch, New York, \$1,720,760; Joel Hershman, Reading, \$1,176,181; Mrs. Eva G. Wilkinson, capital branch, \$1,074,875; J. H. Davis, Jr., Long Beach branch, \$1,020,938; and Gus Bertner, Little Rock branch, \$572,160. Philip S. Rosen, past president of the \$400,000 club, is chairman of the board, with production of \$2,507,000 for the current year.

## Regional Vice-Presidents

The 12 vice-presidents of departments, who paid for \$10,266,301, are Jacob Mansfield, Stock Exchange branch, \$1,050,500; Isidore Spiegel, eastern department, \$1,152,000; I. S. Kibrick, New England branch, \$1,146,869; Jacob Mansfield, Stock Exchange branch, Chicago, \$1,050,500; N. R. Cornsweet, Euclid branch, middle department, \$980,500; F. C. Moser, Seattle branch, \$928,500; Willis W. Hall, Oklahoma branch, \$724,385; J. G. Pollak, Wisconsin branch, \$667,245; B. Hirschfeld, Pittsburgh branch, \$649,602; C. W. Moulthrop, Montgomery, Ala., branch, \$536,000; Reece P. Harry, Charlotte, N. C., branch, \$516,375; and William H. Kelly, Pacific branch, \$501,003.

A grand total of \$129,984,740 new insurance was paid for by the 224 members of the "400" club in the club year, or about one-seventh of the entire production of the company and an average per man of \$580,000.

The greater New York department had 75 men who paid for \$19,266,890; eastern, 12 men, \$7,382,284; northeastern, eight men, \$5,673,257; Atlantic, 16 men, \$8,213,003; great middle, 15 men, \$8,279,140; southern, seven, \$3,092,321; central, 26, \$15,967,047; northwestern, eight, \$4,606,582; Gulf, 14, \$6,286,517; southwestern, 14, \$6,421,746; western, seven, \$3,482,090; and Pacific, 22, \$11,313,693.

## Martindale Public Relations Head

W. T. Martindale, director of organization of the Indiana Farm Bureau Federation for six years, has resigned to become head of the public relations department of the State Farm Mutual Auto and the State Farm Life of Bloomington, Ill. His new work will take him into 23 midwest and western states where farm bureaus are affiliated with the Bloomington companies. Mr. Martindale will retain his residence in Indianapolis.

## Growth of Group Shown

Group insurance has grown from about \$21,000,000 sold in 1913, when the idea was conceived, to more than \$1,000,000,000 last year, it is reported by the bureau of census of the Department of Commerce on a basis of returns from the Life Presidents' association. The report showed that there were 30,001 certificates issued in 1913 for \$20,828,000 and the business increased by leaps and bounds to the 599,453 certificates for \$1,336,328,000 issued in 1928.



## Has Forged Ahead



A. W. HOGUE

It is interesting to know how prominent insurance officials got into the business. At the meeting of the star salesmen of the Business Men's Assurance of Kansas City, F. J. Fleming of Oklahoma City, Okla., state manager, described a visit he paid as a soliciting agent to Ponca City, Okla., some years ago. At that time he visited various sections of the state calling on business men in order to secure applications for accident insurance. At Ponca City he found a high grade tailoring establishment and spoke to one of the members of the firm about a policy. The man was interested and introduced him to others connected with the enterprise, resulting in his securing additional applications. This member of the firm then offered to go across the street to another house and present the insurance proposition to some of his friends there. He returned with three or four applications which he himself secured.

The man was interested in the proposition and talked with Mr. Fleming about the possibilities of his getting into the business. It resulted in A. W. Hogue, now vice-president, becoming a soliciting agent for the Business Men's Assurance. He was assigned to some cities and towns in Kansas, starting in 1916. He worked for four years in the field and in 1920 was taken to the home office in the sales department, finally becoming sales manager. He was elected vice-president in January, 1923, and has charge of the sales organization and production. Mr. Hogue is a man of splendid personality and is very close to the sales forces.

### Upholds Limiting of Suit

Suit on insurance may be limited to a sum insufficient to permit transfer from a state to a federal court, the eastern Kentucky district court held in the case of Elizabeth Woods vs. Massachusetts Protective. Suit for \$3,000 was brought by the woman under a \$5,000 policy, thus preventing removal to the federal court. It was ruled that this was not a fraudulent attempt to defeat federal jurisdiction. The carrier filed removal papers in a previous action in which the federal court could take jurisdiction, but on plaintiff's motion the action was dismissed. Afterward the woman brought suit for \$3,000. She preferred to leave her case before the state court because the Kentucky court of appeals has held that a policy clause limiting right to sue to two years following expiration of 90 days from the insured's death is void and against public policy, whereas the federal court has upheld its validity.

## Field Men Have Nautical Meeting on Great Lakes

### HONOR WESTON'S BIRTHDAY

Lamar Life Force Presents President  
With \$1,250,000 New Business on  
Annual Agency Cruise

After a cruise of 2,000 miles over three of the Great Lakes, the Lamar Life's annual "All Star" convention has ended. This is the second floating convention. Last year on the Caribbean cruise it was found that a ship meeting usually had 100 percent attendance, and this year on the "South American" the meetings proved no exception.

There were 64 field men who won trips, members of their families and home office executives and employees, 126 persons being in the delegation. Last year 45 agents won 53 trips.

The representatives honored President H. S. Weston by presenting him with \$1,250,000 of business on board ship. M. R. Berry of Columbia, Miss., and E. G. Emmett of North Birmingham, Ala., won first prizes for August production. A huge birthday cake, bearing imitation candles indicating the number of agents who wrote sufficient business to have a representation by candle pennant, was cut while the ship was leaving Georgian Bay on the seven-day cruise of the Great Lakes.

### Welty Announces Prize Winners

Winners of 10 cash prizes were announced by C. W. Welty, general manager, at the birthday dinner. Berry won first in volume with \$132,000 and Emmett with largest number of applications, 38 in all, and also fourth in new business. W. C. Buckley of Mississippi took second place in new business and Joseph Muras of Texas second for number of applications. I. S. Watson of Mississippi was a two-prize man and won third prize on new business and fifth in applications.

Receipts from the field were telegraphed to Chicago and sent by wireless to the steamship. J. Y. Webb, state manager of Texas, awarded additional prizes to two winners from his state.

President Weston, C. W. Welty, general manager; Dudley Owens, secretary; A. E. Babbitt, actuary; Roy Nelson, agency organizer, and Rex B. Magee, advertising manager, attended from the home office.

Four meetings were held aboard the ship on different bodies of water, the first on Georgian Bay, second on Lake Huron, third on Lake Erie and fourth on Lake Michigan.

Among the speakers were: Secretary Owens on "Conservation," Actuary Babbitt on "Cooperation Between the Home Office and the Field Agent," R. O. Hardy of Columbus, Miss., on "Conservation of Estates," Ran Schlater of Greenwood, Miss., on "Salesmanship," W. C. Buckley of Jackson, Miss., on "Insurance Briefs," Harry O'Steen of Jackson, Miss., on "How a Young Man Produces Volume," and Rex Magee on "Advertising."

### Modern Woodmen Suit Transferred

The suit begun at Beatrice by Modern Woodmen insurgents has been transferred to the federal court at Lincoln, Neb., for trial, subject to a demand for a remand by the plaintiffs, who have expressed a desire to have the state courts retain jurisdiction. Head Consul Talbot and eight members of the national directorate are made defendants, and until further action of the court they are restrained from putting into effect the new rate schedule, from soliciting older members to accept its provisions, from soliciting surrender of benefit certificates for cash and from dividing the membership into two groups.

# New York Life Directors

The success of any Company is primarily a matter of management—that is, of MEN. Following is a list of Directors, New York Life Insurance Company, the most recently elected being Calvin Coolidge:

LAWRENCE F. ABBOTT.....	Director Valentine & Co.
JOHN E. ANDRUS .....	Manufacturer
NATHANIEL F. AYER.....	Textiles
CORNELIUS N. BLISS.....	Commission Dry Goods
MORTIMER N. BUCKNER {	Chairman of Board, New York Trust Co.
THOMAS A. BUCKNER.....	Vice-President
NICHOLAS MURRAY BUTLER {	Pres't Columbia University
CALVIN COOLIDGE {	Former President of the United States
GEORGE B. CORTELYOU..	Pres't Consolidated Gas Co.
WALTER W. HEAD.....	Pres't State Bank of Chicago
CHARLES D. HILLES.....	Insurance Manager
ALBA B. JOHNSON.....	Retired, Philadelphia, Pa.
PERCY H. JOHNSTON	Pres't Chemical Bank & Trust Co.
WILLARD V. KING {	Chairman Advisory Board, Irving Trust Co.
DARWIN P. KINGSLEY.....	President
RICHARD I. MANNING.....	Farmer, Columbia, So. Carolina
JOHN G. MILBURN.....	Lawyer
GERRISH H. MILLIKEN.....	Deering, Milliken & Co.
FRANK PRESBREY.....	Frank Presbrey Co., Advertising
JOHN J. PULLEYN.....	Pres't Emigrant Ind. Savings Bank
FLEMING H. REVELL {	Fleming H. Revell Co., Publishers
GEORGE M. REYNOLDS {	Chairman of Executive Committee, Continental Illinois Bank & Trust Co., Chicago
HIRAM R. STEELE.....	Steele, DeFries & Steele, Lawyers
JESSE ISIDORE STRAUS.....	Pres't R. H. Macy & Co., Inc.
RIDLEY WATTS..... {	Ridley Watts & Co., Dry Goods Commission



## NEW YORK LIFE INSURANCE COMPANY

MADISON SQUARE, NEW YORK, N. Y.

DARWIN P. KINGSLEY. . . . President





**EQUITABLE  
LIFE OF IOWA**

**BY ANY STANDARD  
OF COMPARISON AN  
OUTSTANDING LIFE  
INSURANCE COMPANY.**  
FOUNDED 1867  
HOME OFFICE DES MOINES

**HOME LIFE INSURANCE COMPANY  
OF AMERICA**

Incorporated 1899

**PROTECTS THE ENTIRE FAMILY**

**POLICIES ARE ISSUED FROM BIRTH TO SIXTY YEARS NEXT BIRTHDAY**

*Home Life Agents are satisfied*

*A Home Life Contract brings prosperity and progress*

\* \* \* \* \*

*Home Life policyholders are satisfied*

*A Home Life policy brings peace of mind to the man  
who loves his family*

**INDEPENDENCE SQUARE PHILADELPHIA, PENNA.**

## Policy, Rate and Dividend Changes During Past Year

A further resume of the major policy, rate and dividend changes during past year is shown below. Part of them were published in recent issues. The data has been collected during THE NATIONAL UNDERWRITER'S compilation of 1929 Unique Manual-Digest, which has just been issued. No attempt was ever made here to record all the new policy forms added or the minor changes made by the more than 300 companies shown in the Unique Manual-Digest. These notes include the dividend announcements, showing whether the scale was continued or increased for 1929.

### S

**St. Joseph Life**—Dividends are a continuation of the 1926 scale. This company has announced a 20-payment guaranteed premium savings policy on which dividends are apportioned annually but payable at the end of every fifth year. This policy was brought out early in 1928 and during the year has become fourth in popularity among the policies of the company.

**St. Louis Mutual**—Dividends same as 1927 and 1928.

**San Jacinto Life**—Has replaced the endowment at 85 policy with an ordinary life form, thus reducing the premium, especially at older ages.

**Scranton Life**—Dividends have increased each year from 1922 to 1929 inclusive. The non-medical limit for men has been increased from \$2,000 to \$2,500. The limit for women has not been changed.

**Seaboard Life**—Has instituted a novel plan for reinstatement. The policy is reinstated without payment of back premiums but is dated back from the date of reinstatement for a period equivalent to that for which premiums have been paid. On July 1, 1928, this company began issuing a policy called preferred risk ordinary life net rate.

**Security Life & Trust**—Has changed provisions to allow cash values on endowments after two years' premiums and increased the suicide restriction period to two years. Limits of acceptance for women are now the same as for men if properly qualified. Dividends for 1929 same as 1927 and 1928. The company has issued new commercial whole life and 20-payment life and made a general readjustment of life rates; no change in endowment rates.

**Security Mutual, Neb.**—Dividends for 1929 same as 1927 and 1928. Non-medical plan adopted for amounts up to \$5,000 at ages 10-65 for both men and women.

**Security Mutual, N. Y.**—Dividends increased for 1929. The paid-up insurance surrender option has been made participating.

**Sentinel Life**—Has issued a new accident and health coverage for use in connection with life policies. This clause provides for an income of \$10 to \$50 per \$1,000 for total disability and for 10 percent to 50 percent benefits for partial disability, hospital benefits 25 percent additional. A 90-day elimination clause is included and waiver of disability premium only. For waiver of the life premium the regular clause is issued in addition.

**Shenandoah Life**—Endowment at 85 continuous premium rates decrease down to age 45. Double indemnity clause changed to read "during premium paying period" and the premium fixed at \$1.80 per \$1,000 for all ages and all forms. Travel accident premium fixed at 40 cents per \$1,000.

**Southern Life & Health**—Issued life expectancy and endowment at 65 forms.

**Southern States**—1929 dividends same as 1928.

**Southland Life**—Adopted juvenile forms and reduced rates on joint life and single premium forms. Extended insurance values increased.

**Standard Life, Pa.**—Adopted preferred risk ordinary life and 20 payment life with minimum limits of \$5,000.

**State Life, Ill.**—Entered juvenile field. Policy provides of \$25 per year of at death to age 10 plus endowment accumulations. Also has a monthly renewable term to 55 which is used in connection with newspapers in subscription campaigns.

**State Life, Ind.**—Dividends for 1929 same as 1927 and 1928.

**State Mutual**—Dividends same as 1928. Adopted double indemnity clause and increased disability premiums.

**State Reserve**—Adopted full life juvenile forms early in 1928.

**Sun Life, Can.**—Dividends increased about 8 percent. Began paying a special dividend upon maturity of policies which have been in force 10 years or more. Paid-up insurance surrender option values reduced slightly.

**Sun Life, Md.**—Has been paying a unitary dividend on non-participating policies completing their fifth year. During 1929 policies reaching their tenth anniversary will receive a dividend. Also issued preferred risk whole life policy multiples of \$5,000.

**Supreme Life & Casualty of Columbia**—Merged with other companies forming the Supreme Liberty Life of Chicago.

### T

**Toledo Travelers**—Increased interest rate from 4.5 percent to 5 percent. Dividends increased.

**Travelers**—Issued new rate book with a general revision of rates. Some rates show slight increase and others slight decrease. Disability clause slightly revised taking out provision for benefit upon disability occurring after age 65. Disability rates decreased.

### U

**Union Central**—Dividends same as previous years. Rules regarding insurance of women liberalized to some extent.

**Union Labor Life**—Issued old age endowments and modified life.

**Union Mutual, Me.**—Dividends for 1929 beginning July 1, 1929, not yet determined. Adopted disability and death indemnity clauses.

**Union National, Fla.**—Issued new rate book decreasing all rates, showing new forms and quoting rates down to age 10. This change took place in March, 1929. The life forms are on the basis of endowment at age 80 which gives a large surrender value.

**Union Pacific**—Issued several new forms among which were decreased premium ordinary life and 20 payment life.

**Union Standard**—Changed the name to National Standard Life. Adopted a medical plan for amounts up to \$10,000 at ages 15-45 for men and single supporting women.

**U. S. Government**—Reopened the privilege of conversion for an indefinite period.

### V

**Volunteer State**—Revised practically all rates on January 1, 1929, showing general reduction.

### W

**West Coast**—Dividends are continuation of the 1924 scale. Issued new paid-up at 65 on participating and non-participating basis. Rates quoted down to age 10.

**Western Reserve, Ind.**—Reinsured in Northern States.

**Western Union**—Reinsured in Sun Life of Canada.

**Wisconsin Life**—Dividends same as scale in use since 1911.

**Wisconsin National**—Reduced rates Sept. 1, 1928, on 10 and 15 payment endowments of 20 years and less and 5 and 10 year term.

**Wisconsin Standard**—Organized September, 1928.

### Pullman Company Group

A group plan covering approximately 30,000 employees for about \$60,000,000 total has been placed with the Pullman Company by the Prudential. The contract will carry life, accident and sickness benefits, all September premiums being paid by the company and the plan thereafter calling for part payment by employees. All departments are covered. This is the second group contract written for the Pullman Company.

# WIDENING THE CIRCLE

An Eight-Page Editorial by The Lincoln National  
Life Insurance Company

*Reading Time Less Than Three Minutes*

He drew a circle that cut me out,  
Despised and forsaken, a thing to flout;  
But Pluck and I had the wit to win;  
We drew a circle which brought him in.

—Apologies to Edwin Markham

**T**he strategy that builds stone walls to keep others from sharing opportunity is a foolish one, for the same stone walls keep opportunity out. Witness the history of China and its great stone wall. The spirit of America has always been the reverse; it has offered opportunity to all.

Continued on next page

There is a striking example in our schools. Throughout the length and breadth of the land, the public schools are opening again, offering opportunity to every boy and girl. No distinctions are made. Even those not mentally as alert and capable as their fellows are received and welcomed. Special schools, special rooms, special attention are given them, and these are called Opportunity schools, Opportunity rooms, Opportunity aid. Frequently, if not invariably, such plans develop such children into useful, contented citizens.

Note that these schools are called Opportunity schools and NOT *Sub-standard* schools. Insurance should take a lesson from that terminology.

Continued on next page



It should be Opportunity insurance  
and not Substandard coverage.

The Lincoln National Life has been  
called a substandard company because  
it has widened the circle of Opportu-  
nity for protection. "Thank God that  
we are a substandard Company!" said  
A. L. Dern in his Straw Men address  
to LNL agents. "Is it not true that  
the wife and children of the substand-  
ard risk are, if anything, more in need  
of the protection of life insurance than  
are the wife and children of the  
standard risk?"

In its true meaning the word is a com-  
pliment, not a condemnation. But  
why use a negative word when a positive  
term, such as Opportunity insurance,

Continued on next page

carries the thought to the many so much surer. The Lincoln National Life is not afraid of the word substandard but believes a better word should be applied to insurance for those who need it most.

From the beginning it has been the policy of The Lincoln National Life to widen and widen again the circle of insurance opportunity. Insurance is not alone for men, it should be offered to women also. Its benefits should be offered to children. So The Lincoln National helped pioneer Juvenile insurance.

This policy kept the Company looking for unmet insurance needs and then fitting insurance contracts to fill those needs. This resulted in the

Continued on next page



multi-optioned Twenty-three Year  
Endowment, for example, which has  
been so helpful to younger buyers of  
insurance. It resulted in the recent  
development of the copyrighted Eman-  
cipator plan, which gives the larger  
buyers of insurance opportunity to  
secure permanent protection of un-  
questioned security at the lowest cost,  
consistent with safety.

The momentum of such a policy has  
carried the Company forward by leaps  
and bounds. Greater opportunity for  
more policyholders created greater  
opportunity for LNL agents, and  
again for policyholders in a never  
ending circle.

Offering such opportunities for its  
agents, however, was not enough; the

Continued on next page

Company felt it must share responsibility for the personal success of each man. It could not countenance a program of hiring an agent, providing him with a rate book and a "God bless you," and leaving him, if weak, to perish and, if strong, to survive only with great difficulty.

The Company set about to train him, to tell him, to show him, to encourage him, to stimulate him, to recognize and reward him, and to help him grow in satisfaction in his great service work. It set about building more and more practicable plans to help him prospect, canvass, close, counsel and advise, and permanently to establish himself. When he qualified it promoted him; from

Continued on next page



its staff of agents it chose many of  
its leaders.

But the advance of the Company has  
been so great that this plan has not  
furnished leaders fast enough. It has  
become necessary to recruit leaders,  
as well as strong men to fill the places  
in the ranks of those who have ad-  
vanced. These facts make it necessary  
to offer an invitation to join its widen-  
ing circle to those who are in symp-  
thy with its ideals and can measure up  
to its requirements. To such men a  
convenient blank is presented on the  
next page for a confidential inquiry.

---

**THE LINCOLN NATIONAL LIFE INSURANCE COMPANY,  
FORT WAYNE, INDIANA**

## CONFIDENTIAL QUERY LETTER

The Lincoln National Life Insurance Company  
Fort Wayne, Indiana

I am interested in your expansion plans and request specific information concerning openings in (city or territory).....

Here are some facts regarding myself:

Name

Address

Age

Married

Children

Education

Life insurance experience

Organizing accomplishments

Production record

Other experience

Amount of life insurance personally owned

Accomplishments in finding and training agents

Financial condition

Ambition

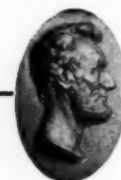
Write a letter if you prefer. It will be treated as absolutely confidential.

If now under contract, do not write unless you are ready for advancement which your own company cannot offer.

"LINK-UP-WITH-THE-LINCOLN", A STRONG,  
COMPANY WHICH PLEDGES THAT "ITS



SAFE, AGGRESSIVE, GUARANTEED-LOW-COST  
NAME INDICATES ITS CHARACTER".



The Lincoln National  
Life Insurance Co.,  
Ft. Wayne, Ind.,

1

is a guaranteed low cost,  
ordinary life company,

2

with more than \$700,000,000  
of insurance in force;

3

it is aggressive, progressive,  
human, and friendly,

4

strong and ably managed,

5

absolutely safe,

6

rapidly growing,

7

and offers some exception-  
ally attractive openings for  
agents and organizers who  
can measure up to its re-  
quirements.

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## Minneapolis Office Holds Annual Agents Gathering



HIRAM T. LEWIS

The outstanding feature of the annual meeting of the Minneapolis Agency of the Mutual Life of New York, in Minneapolis last week was comments upon the widespread and generally acknowledged value of the "Diamond Life Bulletin" service of THE NATIONAL UNDERWRITER. M. L. Snyder, service representative of the agency, complimented the bulletin in his address, "Life Insurance as Property," an analytical study and deductions from Abner Thorp's practical studies in the "Diamond Life Bulletin."

O. B. Anderson, Minneapolis sales expert, spoke of life insurance sales presentation from the standpoint of the human equation.

Dr. Donald McCarthy, medical referee of the agency, appealed for more humane consideration of the country examiner.

Al Steinmeyer, agency cashier, outlined rules for submitting business. G. S. Newberry of the North Dakota field discussed the agent's position from a number of years of service with the Mutual Life. Fred R. Strum, agency organizer covered many subjects of field activities in a comprehensive way.

A spiritual touch was given in the address of Dr. W. H. Pankhurst, pastor of the Lynhurst Congregational church of Minneapolis, his subject being "If I Had Another Life to Live."

Manager Hiram T. Lewis reminded his co-workers of the fact that only three cents out of every dollar had been utilized in the \$100,000,000 insurance outstanding and that there was yet 15 cents out of every dollar to be used in placing the next \$500,000,000. The meeting closed with a dinner entertainment and formulation of plans for rounding out the year with record production.

### Passes 5 Million for August

A new business total of \$5,326,700 for August gave the Northwestern National Life the best August production in its history, a gain of 43 per cent over the same month a year ago.

As three regional conventions were held during August, attended by the best producers of the company, the agency organization was necessarily out of the field for the greater part of the month. Despite this handicap, however, the total overshot the \$5,000,000 goal by a good margin.

### Have Successful Convention

A successful and enjoyable convention of managers and agents of the Union Mutual was held at the home office in Portland, Maine, last week. Instructive talks were given on current sales and

insurance topics, including a thoughtful and helpful presentation upon "Why We Are in the Life Insurance Business" by Stanley G. Dickenson of the Life Insurance Sales Research Bureau, Hartford. At the banquet, David E. Sprague, associate manager in Boston, who has several times served as song leader at the conventions of the National Association of Life Underwriters, acted as master of ceremonies. The meetings closed with an old fashioned Maine clam bake at Great Diamond Island in Casco Bay, followed by a steamer trip in the bay.

### Equitable Announces Promotions

Three appointments are announced by the Equitable of New York. Lloyd W. Klingman, assistant manager of the salary savings division in the home office, has been appointed to manager. Mr. Klingman succeeds W. H. Glines, Fred D. Bayne becomes assistant superintendent of agencies in charge of office organization. He has had many years' experience in the Equitable, both in home office and field, and in the past has been in the auditing department and more recently in the agency department at the home office, Harold J. Rossman, assistant to the resident supervisor in Chicago for several years, and recently agency assistant there, is being transferred to the home office as assistant to Mr. Bayne.

### Pan-American Life Schools

Dr. Marion Souchon, vice-president and medical director of the Pan-American Life; S. A. Allison, vice-president and actuary, Ted M. Simmons, manager of United States agencies, have just completed holding three schools of instruction, the first at Memphis, Tenn., Sept. 2-3 for representatives in Tennessee, Arkansas and Mississippi; the second in St. Paul, Sept. 5-6 for representatives in Illinois, Indiana, Kentucky and Missouri, and the third in Pittsburgh Sept. 9 and 10 for men of Ohio and Pennsylvania. A banquet on the first night of each meeting was the main feature of entertainment.

### Baltimore Life to Build

Plans for the new 12-story building which the Baltimore Life will erect at Charles and Saratoga streets, Baltimore, have been announced by Arthur R. German, vice-president.

The building will be of Indiana limestone and of fireproof and steel construction throughout. The second and third floors will be rented for offices. The remainder of the building will be occupied by the company. The 11th floor will house an auditorium and the 12th floor will be occupied by a library.

It is expected that actual construction will be started in a few months and the new building will be ready for occupancy by the latter part of 1930.

### Agnew F. Field, Leslie A. Ginn

The Pan-American Life announces appointment of Agnew F. Field as field superintendent, to devote his time to development of Illinois, Indiana and Ohio business. He is a native of Louisiana, but removed to California some years ago and since that time has been with the Penn Mutual and the Union Central. Appointment of Leslie A. Ginn as district manager in the Rio Grande Valley also is made public. For several months Mr. Ginn has been doing supervisory work for the Pan-American. Prior to that he was associated with the Wallace & Phillips agency at Montgomery, Ala., where he was a successful personal producer.

### Royal Union's Anniversary Drive

The Royal Union Life was organized 45 years ago Sunday. In commemoration of the event, agents of the company this month hope to produce \$2,500,000 in new insurance in honor of President A. C. Tucker. B. M. Kirke, vice-president and field manager, is sanguine that the goal will be reached.

## Fostering Longevity

The Guardian was one of the earliest among Life Companies to avail itself of the services of the Life Extension Institute, whose vital work in prolonging life through the periodical health-check-up has become universally appreciated by the insuring public, as well as by the Life Insurance profession.

This valuable Health Service is available free to all Guardian policyholders, regardless of size of policy. It is felt to represent by no means an unimportant factor in the consistently low mortality experience enjoyed by The Guardian for many years past.

Send for Publication 289, outlining this and other features of The Guardian's Service Program—of use to the Policyholder while living—to the Beneficiary thereafter.



## THE GUARDIAN LIFE INSURANCE COMPANY of AMERICA

*"The Company that Guards and Serves"*

50 UNION SQUARE

NEW YORK CITY

# The Reason will interest you if . . . . .

in  
ten years

12  
TIMES

THE  
INSURANCE  
IN  
FORCE

If you are interested in selling life insurance you will be interested in the key to the Gem City Life's record of increasing its assets and insurance-in-force by more than twelve-fold in ten years.

In the agency contract and the policy line which includes all standard and some special forms of participating and nonparticipating contracts, group insurance and accident and health coverage, will be found the real reasons for the success of the Gem City Life agents. In the success of our agents lies our success also.

If you will write I. A. Morrisett, president, he will be glad to give you complete details of our agency contract and reasons why it will pay you to join the Gem City Life.

Eight millions of increase first eight months of 1928.

### TERRITORY OPEN

In Ohio, Michigan, District of Columbia, West Virginia, Georgia, Alabama and Louisiana.

**The Gem City Life**  
INSURANCE COMPANY OF DAYTON, OHIO

## Round Out Details for Convention

(CONTINUED FROM PAGE 5)

Metropolitan, with which the day's session will open, will be broadcast from the Washington convention hall instead of the Metropolitan Tower, from which they go out every morning. It is also possible that one or two of the eminent speakers on the program will talk over the broadcasting chain, sending their life insurance message to the entire country.

### Emblem Is Chosen

Mr. Hull has announced that the final selection of the judges on the proposed slogan and emblem for the association will be presented for approval on the convention floor and will be submitted in sample on the convention literature. The award was made by Frank L. Jones, Claris Adams and Paul Clark, three eminent men representing both company and agency ranks.

George Thobaben, executive secretary of the Cleveland Association of Life Underwriters, has agreed to be official accompanist for the convention, assisting David Sprague of the Boston office of the Columbian National, who is song leader, as he has been for several years.

Registrations are still being received for the Managers' School to be held under the joint auspices of the association and the Life Insurance Sales Research Bureau, though it is intimated that this may be cancelled unless sufficient members are enrolled by next week.

### Managers' Session

The program for the managers' session of the convention, to be under the direction of John Marshall Holcombe of the Research Bureau, has been announced in full. The time for this session has been changed, to be held Thursday evening instead of in the afternoon, to avoid conflict with the boat trip up the Potomac River. The program drawn up by Mr. Holcombe is as follows:

### Thursday, Sept. 26

Presiding, James A. Fulton, chairman, executive committee, Life Insurance Sales Research Bureau.

Introductory remarks.

"Agency Building With College Men," W. F. Winterble, agency manager, Bankers Life, Madison, Wis.

"Demonstration—Describing and Selling the Job," Ralph Engelsman, general agent, Penn Mutual Life, New York.

"Discussion of Demonstration," John Marshall Holcombe, Jr., manager, Life Insurance Sales Research Bureau.

"A Visualized Educational Course," L. B. Hendershot, Life Insurance Sales Research Bureau.

## FACTS and FIGURES

### Significant Statements, Special Statistics and Pertinent Points—the Basic Material of Life Insurance

Compiled by C. D. Spencer

In every community you will find—1. Those ready and able to buy. 2. Those able but unwilling to buy. 3. Those willing but unable to buy. 4. Those neither able nor willing to buy.

\*\*\*

United States Population by Age Groups	Number	Pct.
Under 5 years.....	11,573,230	19.9
5 to 14 years.....	22,039,212	20.8
15 to 24 years.....	18,707,577	17.7
25 to 44 years.....	31,278,522	29.6
45 to 64 years.....	17,030,165	16.1
65 years and over.....	4,933,215	4.7
Age unknown.....	148,699	0.1

Total.....105,710,620 100.  
—(1920 U. S. Census)

\*\*\*

Life insurance is the only thing father can buy on the installment plan which mother doesn't have to finish paying for.—Field Service.

\*\*\*

Mortgage insurance removes the single weakness in home payment plans, and it keeps the mortgage on the right side of the ledger.

(a) Granted that there is an adequate income, a mortgage offers an opportunity. Take away the regular income and the mortgage is a liability.

(b) Mortgage insurance enables a man to do the thing right—when he buys a home to buy it, not simply buy a part of it.

(c) A mortgage is a debt and every mortgaged home is a temporary home until the debt has been met. When there is mortgage insurance the mortgage is buried with the man, and the widow and children get the home.—Conmutopics.

\*\*\*

"The wide distribution of insurance in this country is an invaluable factor in our daily life and is, I believe, one of the finest results of our national development."—Herbert Hoover.

\*\*\*

"Approximately 17,000 employers of labor in the United States and Canada have set up programs whereby their employees are provided with group life insurance in amounts ranging all the way from \$500 to \$10,000 per life. It will be noted that of the more than

ninety billions of dollars of life insurance carried by American and Canadian companies, about one-twelfth is group life. About 75 percent of this aggregate amount of group life insurance is in force in some half-dozen life insurance companies. Year by year the amount of this kind of insurance in force has steadily increased, ranging from about \$13,000,000 in 1912, to not far from six billions in 1927, and estimated at more than \$7,500,000,000 in 1928."—James E. Kavanagh, Metropolitan Life.

\*\*\*

"An agency force should be built on about the ratio of one agent to every 5,000 people."—Hugh Hart.

\*\*\*

A new prospect for juvenile policies in New York City is born every four minutes and six seconds, 126,332 babies being born in 1928.

\*\*\*

"Accidental deaths have increased 27 percent since 1921."—National Safety Council.

\*\*\*

Percentages of insurance carried in average estates:

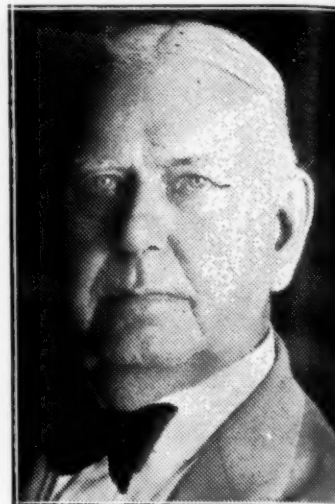
Average Estates	% of Life Ins.
\$ 50,000	9.18
100,000	4.05
175,000	3.65
250,000	3.72
400,000	3.26
750,000	2.50
1,000,000	2.6
2,000,000	1.17
4,000,000	1.26
5,000,000	.28
8,000,000	.86
10,000,000	2.09
28,000,000	.42
Average	2.74

—Irwin D. Herzfelder, George H. Beach Co.

\*\*\*

Life insurance distributions total \$2,057,038,892 according to THE NATIONAL UNDERWRITER'S annual tabulation—84 cities received \$1,000,000 or over—205 individual claims for \$100,000 or more—heaviest payment \$5,823,450.

## Buys at Age 70



POSTMASTER W. R. PAPE

For six years Frank J. Hasler, agent of the Mutual Life under George C. Dixon at Little Rock, Ark., has been searching for a man over 69 years old who could pass the company's medical examination and meet other requirements for obtaining life insurance at that advanced age. His search is ended, however, for W. R. Pape, postmaster at Fort Smith, met all the requirements and was issued a \$2,000 contract. The feat is unusual in that the rules of most companies deny insurance to persons over 65 years old.

Mr. Pape contributed a recommendation of life insurance in the following words: "Life insurance when I was a young man in 1889 was only taken out by the well-to-do people. Life insurance has made wonderful strides in the past 40 years and today there is over \$100,000,000,000 in force, I am told. To the young people of today I would recommend that they carry all the life insurance they possibly can for it is a great benefit when in need."

Mr. Hasler ascribed his success in closing the contract largely to the fact that for many years he has been a subscriber and inveterate reader of THE NATIONAL UNDERWRITER and the "Insurance Salesman," in which he says he has found constant inspiration and practical advice on selling insurance.

## An Unusual LIFE INSURANCE GENERAL AGENCY OPPORTUNITY

A strong, progressive, well known life insurance company with substantial local influence and a large volume of business in force in Detroit offers an unusual opportunity in the City of Detroit to a high grade man with successful life insurance experience.

The man we desire must be capable of managing and further developing an active Detroit agency now producing \$3,000,000 of new business annually.

All inquiries will be held in strict confidence. Address N-37, care The National Underwriter.



## Claim Men's Head



H. P. GALLAHER

Mutual Life of New York, Retiring President  
International Claim Association

## Company Claim Men in Meeting

(CONTINUED FROM PAGE 5)

stitute a quorum for the transaction of business.

"Section 2.—At the annual meeting of the association in 1929 three members of the executive committee shall be elected by ballot for a term of one year and three members shall be elected for a term of two years. At each annual meeting of the association after 1929, three members of the executive committee shall be elected by ballot for a term of two years. At each annual meeting of the association, the association shall elect by ballot a chairman of the executive committee to hold office for one year or until his successor is elected."

### Tells of Ambulance Chasing

The speaker in the Monday session was Irving Ben Cooper, special counsel, New York Medical Society. Mr. Cooper described the methods of the "ambulance chasing" ring found to exist in the recent investigation in New York. He stated that as a result 74 attorneys were being prosecuted and the medical society was taking steps against physicians also alleged to be involved.

He further stated that as a result of the investigation accident cases brought in the courts had been greatly reduced in numbers but that there is a tendency to increase and constant vigilance is necessary to effect a permanent check on unscrupulous members of both professions.

### National Figure Speaks

Tuesday's session opened with the introduction by President Gallaher of Frank B. Kellogg, former secretary of state, who expressed pleasure in meeting the claim men.

Chairman R. R. Harrold of the attorneys and adjusters committee, who is an executive of the Pacific Mutual Life, reports his committee had completed its work and members requested to be discharged. As chairman of the membership and credentials committee L. D. Erion, Travelers Health Association, stated that membership had increased to 164 companies. John A. Millener, secretary of the International Association of Insurance Counsel, extended hearty invitation to attend the meeting of his organization Sept. 11 and 12.

E. L. Earl, Sun Life, Canada, chair-

## Hard to Find Hard Luck in This Accomplishment

Some persons might consider that it was unlucky for 13 women to qualify for the 1929 \$400,000 club of the New York Life, but the \$7,340,620 of business which these 13 women paid for, an average of \$564,617 apiece, is large enough to excite the envy of most men agents. The leader was Mrs. E. G. Wilkinson of the Capital branch who paid for \$1,047,875 of business. Mrs. Zara B. Rosen of New York was second with \$812,000. The other women with the amounts of paid for business are: Mrs. Ellen C. Paine, Maine, \$800,000; Mrs. Gertrude Brandwein, New York, \$601,000; Mrs. Yetta Gang, New York, \$577,000; Mrs. Katherine E. Stark, New York, \$550,000; Mrs. Freda Ozdoba, New York, \$459,500; Mrs. Getta R. Wasserman, Oregon, \$449,527; Mrs. Lucille H. DeVore, Memphis, Tenn., \$410,610; Miss Essie Souders, Kansas City, \$406,000; Mrs. Mollie Fishel, New York, \$403,333; Mrs. M. H. W. Bennett, New York, \$403,400; Mrs. Laura B. Patrick, New York, \$401,375. Mrs. Wilkinson is one of the vice-presidents at large of the club and Mrs. Gang is following in the footsteps of her husband, the late Mayer Gang, a leading writer of the company. Mrs. Fishel began writing late in 1928.

man of the executive committee, praised the work of the standing committee chairmen and their staff members and said that the association has steadily progressed under President Gallaher's regime. He also lauded the work of other association officials and active members, who in turn voiced a rising vote of thanks to the executive chairman for his untiring work.

Louis L. Graham, Business Men's Assurance, reporting as secretary, said, that six companies had recently joined, the Bankers' National and National Fidelity Life, Kansas City; Jefferson Standard, Greensboro, N. C.; Northern Life, Seattle; Union Central, Cincinnati, and Mayflower Fidelity & Casualty, Newark. He received a vote of appreciation.

Dr. William M. Stockwell, superintendent and medical director, Connecticut State Tuberculosis Sanitarium, read an interesting and instructive paper on the subject of "Tuberculosis as a Disability." "Multiple responsibilities of the claim adjuster" was the subject of the talk by Stewart La Mont, third vice-president, Metropolitan Life.

### Official Slate

The following were named as new officers Wednesday morning: President, E. Lawrence Earl, Sun Life; vice-president, J. J. McKay, Louis L. Graham, chief adjuster, Business Men's, was reelected secretary; F. L. Templeman, Maryland Casualty, was reelected treasurer, and Bayard P. Holmes, was reelected librarian. Mr. Holmes is president of the Hooper-Holmes Bureau, New York.

Members of the executive committee elected at the same session are H. S. Don Carlos, Travelers; P. J. O'Connor, E. E. Elliott, Physicians Casualty, all for a term of two years, and Harry P. Gallaher, William I. Morrow and William A. Dennis, Prudential, for one year terms. Mr. Morrow is chairman.

### Continental's August Record

The agency organization of the Continental Life of St. Louis wrote \$3,346,200 in August, compared with \$1,694,150 in August, 1928. Twenty-two agents of the company reached their quota for the month.



**D**URING a period of 30 years, with the exception of the "flu" experience, the Central Life Assurance Society has ranked among the first five companies in the United States, of similar size, or larger, in mortality savings.

**W**ITH nearly \$200,000,000.00 of insurance in force, Central Life is the largest American company of its age, save one, built other than by consolidation.

**M**ANY of Central Life's representatives, now writing insurance in 24 states, have been in the service of the company from 10 to 25 years.

**A**FTER recent examinations, Central Life is rated "excellent" in regard to management, assets, reserves and mortality.

Some facts that explain why 1929 is proving to be one of the outstandingly successful years in this company's history.

## Central Life Assurance Society

(MUTUAL)

T. C. DENNY, President

DES MOINES

IOWA

The company that is OLD enough to be thoroughly established but YOUNG enough to offer exceptional opportunity



## AMERICAN LIFE INSURANCE CO.

### OFFICES

DALLAS, Home Office Building  
CHICAGO, 128 N. Wells St.

Prompt Service From Both Offices  
Maximum Security to Treaty Holders

MORTON BIGGER  
Secretary

A. C. BIGGER  
President

C. W. SIMPSON  
Medical Director

BERT H. ZAHNER  
Chicago Manager

MERLIN OATES  
Actuary

## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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C. M. CARTWRIGHT, Managing Editor  
FRANK A. POST, Associate Editor  
CHARLES D. SPENCER, Associate Editor  
DALE R. SCHILLING, Associate Editor

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### Kansas City "Post" Comments

AS SOON as the LIFE PAYMENTS LOCALIZED NUMBER of THE NATIONAL UNDERWRITER was issued, the newspapers all over the country published the interesting information it contained in their news columns. A number of these papers went further and published editorials in which the function of life insurance is extolled. This publicity given life insurance undoubtedly aids greatly in creating a more favorable attitude toward the life insurance business.

THE KANSAS CITY "POST," in commenting upon the 1928 edition of the LIFE PAYMENTS LOCALIZED NUMBER, said:

"Everyone knows, of course, that the life insurance business is a very large one, if for no other reason than it sometimes seems that every third person is selling policies. But an even clearer understanding of the size of the business can be had by noting the payments made to Missouri policyholders and beneficiaries last year.

THE NATIONAL UNDERWRITER, a trade journal, reports that the companies' payments in Missouri in 1928 totaled \$63,500,000, making the state 10th in the country in this respect, while Kansas was 16th, with a total of \$34,800,000. Kansas City-ans received \$7,058,000.

"It is easy to see from these figures that the amount of business written in Missouri is enormous. It has to be for such payments to be made. Otherwise, the

companies would soon be insolvent.

"This volume is the result of years of steady work. Though there were several large payments in 1928, a majority of the total went to widows and other beneficiaries of small policies. The use of insurance is much more widespread than it was at the beginning of this century. Policies are now taken out by persons who, had they been of the same age and in comparatively similar circumstances 30 years ago, would not have thought of doing so. There were all kinds of ridiculous prejudices against life insurance, which the public has been educated out of only after the most patient labor on the part of the companies. The army insurance during the war helped much, but it merely hastened a change of attitude that was already beginning.

"The result is that the husband and father who refuses to insure his life is now regarded with open disapproval, and rightly. If a man considers it wise to insure his life for the benefit of his business, surely the most rudimentary decency requires that a man do likewise for the benefit of his dependents.

"Not only has the insurance business grown; it will continue to grow, for many new and useful types of protection are being worked out. Payments in Missouri were large last year. They will be still larger in the years to come."

### Best Source for True Happiness

THERE is no business or profession from which one can gain more true happiness than life insurance underwriting, says P. G. DALLWIG of the DARBY A. DAY AGENCY of the UNION CENTRAL LIFE in Chicago, and originator of the DALLWIG policy and commission records.

"To be happy in a work," he said, "it must give you freedom of action, command respect and confidence, be of service to all mankind, provide a competency for yourself and leave a worthwhile inheritance to your immediate family and to humanity at large."

The life insurance man has freedom of action in that he can select the selling plan he pleases, select his own clients and dictate as to when and how he should make the sale. The agent who is well informed can command respect and confidence. He makes his prospect feel the importance of life insurance.

There is no doubt that the life insur-

ance man renders a service to all mankind. The life insurance companies, says MR. DALLWIG, represent the highest form of trusteeship. Their success over the past decade is an outstanding tribute to the integrity and business ability of the executives who manage them. There is no business, says he, that makes you save one-half of all you make and in which you are compensated in proportion to your efforts. Insurance leaves a worthwhile inheritance in the form of the many policies left to middle aged widows and children who are thus kept from want.

If a young man has a college education, so much the better are his chances for success. Only he must use it, not wear it as an ornament.

I like the man who bubbles over with enthusiasm. Better be a geyser than a mud puddle.

## PERSONAL SIDE OF BUSINESS

Charles W. Gold, vice-president and treasurer of the Jefferson Standard Life of Greensboro, N. C., who undoubtedly will be the next president of the American Life Convention, is active in a number of ways. Aside from his life insurance office which is the main one in his career, he is vice-president of the Greensboro Joint Stock Land Bank, director of the North Carolina Bank & Trust Co. of Greensboro and director of the State Industrial Bank of Greensboro. He entered the life insurance field in 1903. In 1907 he became one of the organizers of the Jefferson Standard Life, being its secretary and agency manager. He graduated from the North Carolina State College of Agriculture & Engineering. He is now on the board of trustees of that institution and is a member of its executive committee. He was formerly a director of the Greensboro Y. M. C. A. He is active in the Boy Scout movement and is president of the Greensboro loyalty fund. For four years he served as trustee of the Kiwanis International.

Walter G. Cowles, vice-president of the Travelers in charge of WTIC. Travelers radio broadcasting station, lauded the equipment of the new station at a dinner to the assistant managers and field assistants of the life, accident and group departments. Mr. Cowles said that the new station was the first of its kind in the world. It is one of six 50,000-watt stations, he explained. The American Radio Corporation is building a similar station for the Italian government. He also explained many of the technical features of the station.

Isaac Miller Hamilton, president of the Federal Life of Chicago, attained his 65th birthday Sept. 6, amid a flood of flowers, congratulatory telegrams and letters from many friends throughout the country, and in addition, a tidal wave of applications which had been solicited especially as a surprise. The directors and officers together with close friends of Mr. Hamilton tendered him a special company luncheon Friday noon, at which the applications were laid before him.

Dr. Robert Retzer has been appointed agency supervisor and instructor for the New York City general agency of the Northwestern Mutual Life, located in the Grand Central Terminal building. Dr. Retzer has been director of the life insurance course of the New York University. He started out in a medical career but during the "flu" epidemic in 1918 he became interested in life insurance. He joined the Northwestern Mutual Life agency in Pittsburgh. Later he took the life insurance training course of the New York University under Griffin M. Lovelace while actively soliciting for the Northwestern in Baltimore.

Dr. E. Bryan Kyle, medical director of the Home Life of America, died this week from pneumonia at Misericordia hospital, Philadelphia.

In 1904, when J. B. Reynolds became president of the Kansas City Life, it had assets of \$212,500 and \$2,155,100 insurance in force. In August, 1929, when Mr. Reynolds celebrated his 25th year as president, the company had assets of \$53,694,903 and over \$450,000,000 insurance in force.

Mr. Reynolds starts this month on his 26th year as head of the organization with unimpaired vigor. He is one of the big figures in life insurance in the central west.

Thirty-five agents of the Equitable Life of Iowa meeting Saturday at Burlington, Ia., paid tribute to T. Riley, general agent for the past 36 years. Vice-President H. E. Aldrich conducted the session and President H. S. Nollen

attended to pay his respects to Mr. Riley's long service.

Nathan Benedict, an agent for the Continental Life of St. Louis, has written a \$250,000 application on the life of Al Jolson, famous Vitaphone talking picture star and singer.

A. O. Schenk, district supervisor in St. Louis for the Bankers Life, is in the Union Hospital at Terre Haute, Ind., recovering from serious injuries sustained Sept. 4 when his automobile went down an embankment about 15 miles west of Terre Haute.

Mr. Schenk was en route to Indianapolis to attend an insurance meeting. He was accompanied by J. R. Simpson, an agent for the Bankers Life.

While attempting to pass another automobile going in the same direction, Mr. Schenk had to swerve sharply to avoid a head-on collision with a truck coming in the opposite direction, and his car went into the ditch. He suffered a fracture of the knee, a skull injury and four fractured ribs. Mr. Simpson escaped with minor cuts and bruises, and was able to return to his home in St. Louis.

W. T. Grant, president of the Business Men's Assurance, left Kansas City Sept. 7 for Oklahoma City, where he joined F. J. Fleming, branch manager for the B. M. A. in Oklahoma, for a week's hunting trip near Woodward, Okla.

As a memorial to his parents W. E. Wills, vice-president of the National Life & Accident, has donated \$60,000 to Haywood county, Tenn., for the erection of a hospital at Brownsville. Mr. Wills was born and reared there.

Joseph M. Gantz, general agent of the Pacific Mutual Life at Cincinnati, has been elected a member of the board of directors of the Washington Bank & Trust Company of his city.

Dr. Harry H. Hartung, an outstanding figure among the medical examiners for life and accident companies in Boston, died at his home there, following an illness of a year and a half from heart disease. He was 54 years old. For some 30 years Dr. Hartung had been an examiner for the Boston agency of the Aetna Life and affiliated companies. For about the same time he has served the Prudential and several other life and accident offices in the city.

John D. Peake, district manager at Richmond for the Life & Casualty of Tennessee, who made an unsuccessful race for Congress on the anti-Smith Democratic ticket last fall in the Third Virginia district, is now aspiring to legislative honors, running for the Virginia house of delegates from Richmond on the same ticket. The anti-Smith Democrats are fusing with the Republicans this year as they did last.

By stretching a wire netting under the cornice of its building on Main street, Hartford, the Travelers is hoping to drive away the starlings. Thousands of these noisy creatures have infested the Travelers and other insurance buildings for many years. At one time bells were placed along the roofs in the attempt to shoo the birds away, but the pestiferous things seem to delight in making the bells tinkle. During the past few days the necks of downtown crowds have been craned upward at the staging built under the roof of the Travelers where workmen have been stretching the wire netting.

John S. Acosta, son of Tracy L. Acosta, representative of the Penn Mutual in Florida, was killed in an auto-



mobile accident recently near Haverly, Ga., when he turned his car out to avoid a truck parked without lights. Mr. Acosta was 30 years old and while at Yale was an all-American football star.

**Joseph P. Licklider**, director of publicity and sales research for the Missouri State Life, is making favorable progress in his convalescence from serious injuries received when he was struck by a street car in St. Louis, Sept. 2. According to reports from the home office in St. Louis, the accident resulted in a fractured skull, two rib fractures, and numerous bruises and contusions about the body.

Letters and telegrams from all parts

of the country indicate, in part, the numerous friends and business associates who are extending their best wishes for his early recovery.

Insurance Commissioner and Mrs. **Charles D. Livingston** of Michigan have issued invitations to the marriage of their daughter, Katherine, to Dr. Thayer Le Moigne Parry of Akron, O. The ceremony is to be solemnized at the Livingston home in Detroit, Sept. 21. Miss Livingston is a graduate of Cornell and is a young woman of rare talent. Dr. Parry is a successful physician, graduating from Western Reserve and the University of Michigan.

## LIFE AGENCY CHANGES

### MAKES CHANGES IN WEST

#### Montana Life Appoints Former Deputy Commissioner Kitchen of Idaho, Two Other Men

**Carl C. Kitchen**, former deputy commissioner of Idaho, who recently has been Idaho field supervisor for a large mid-west life company, has been appointed general agent of the Montana Life at Boise, Idaho. Mr. Kitchen has lived in Idaho for 13 years and is intimately acquainted with a great many residents through his departmental association, through his having held county offices and also through the fact that for the past three years he has been secretary of the senate of the Idaho legislature. It is expected he will occupy this post again this year. Mr. Kitchen formerly was in the lumber business and also for a time taught school.

**Homer L. Burr** has been appointed general agent at Pomona, Cal., where formerly he was in the real estate and life insurance business representing a large eastern company on a part time basis. Mr. Burr sent in three applications to the Montana Life the first week after his appointment.

**George A. Thompson**, who for eight years has been general agent at Huron, S. D., has resigned to become sales manager for a company with which he formerly was associated. **A. V. Wilson** succeeded Mr. Thompson the first of this month. He has been an agent under Mr. Thompson for ten years on a part-time basis, writing a substantial volume. Formerly he was connected with the South Dakota state banking department and later held a federal bank position.

#### Robert F. Perry

**Robert F. Perry**, St. Paul, Minn., branch manager for the Equitable of New York, has joined the Minnesota Mutual as branch manager of the A. O. Elison home office agency. Mr. Perry has lived in St. Paul 30 years and built his life insurance reputation with the Equitable. He has been branch manager for five years, developing a force of 25 full time men in one year after starting from scratch. He will open a new branch of the Elison agency on the seventh floor of the Commerce building, St. Paul.

#### A. R. Piper

**A. R. Piper**, formerly branch manager at Regina, Sask., for the North American Life of Canada, is retiring to become manager of the Canadian General Securities. The latter company is part of a prominent financial group which has holdings in several insurance companies.

#### Robert H. Edmiston

**Robert H. Edmiston** has been named as assistant general agent for the South Platte section of Nebraska by the Union Central Life, the third generation of Edmistons to represent the company in

that section. He is associated with his father, A. R. Edmiston, general agent, and the offices have been removed to more commodious quarters in the new Stuart building in Lincoln. The younger Edmiston graduated from the New York University school of insurance, spent two years with the company's St. Louis general agency and has been two years with his father.

#### Fred E. Hartman

Vice-President W. H. Savage of the Great Republic Life announces appointment of **Fred E. Hartman** as general agent at Oakland, Cal., in charge of Alameda and Contra Costa counties, with offices at 921 Latham Square building. This appointment follows resignation of **Neil E. Munro & Sons** as general agents at Oakland. They will remain with the company, devoting their time to personal production and establishing a general lines agency. Mr. Hartman is an experienced and successful life underwriter producing a large volume of business in the bay cities district, who heretofore represented a number of life companies on a brokerage basis.

#### Edwin A. Hasek

The National Life of Vermont announces that **Edwin A. Hasek** has been appointed general agent at Kansas City, Mo., succeeding **William B. Henderson**. Mr. Hasek received his life insurance training in the National Life agency at Cedar Rapids, Ia. He took the school of life insurance salesmanship course at New York University. In July, 1926, he was appointed general agent of the Union National Life at St. Petersburg, Fla., and the following year became its agency director. He has served in that capacity up to this time. Mr. Henderson will hereafter devote his entire time to personal production. Mr. Hasek's headquarters are at 924 McGee street, Kansas City, Mo.

#### Sherman E. McNamara

**Sherman E. McNamara** has been appointed general agent for the Provident Mutual Life at Buffalo, N. Y., succeeding **Harvey Weeks**, who recently resigned to go to New York as an insurance trust officer. Mr. McNamara has been in the agency for some time and is a keen personal producer as well as an able executive.

#### Mason & Hyman

**Mason & Hyman** have opened at 170 Fifth avenue, New York, a branch office for **McWilliam & Hyde**, Penn Mutual general agents. The firm has the title of associate general agent and is composed of **Marcus D. Mason** and **Arthur Hyman**. Mr. Mason, although but 23, has had an uncommon business experience. At 16 he accompanied his father to Europe, and for two years worked throughout eastern Europe for a banking corporation organized by his father. On returning to this country he resumed his studies and upon leaving college assisted in organizing the Judea Life.

# Biloxi Bound!



The golf course at Biloxi has been justly described as one of the finest and most scenic of the entire South. It covers 175 acres of rolling land, dotted with beautiful trees and engaging water hazards—a veritable paradise for lovers of this fascinating pastime. The Pan-American Golf Tournament is held annually at Biloxi—another proof of the popularity of the course and the pleasures of the resort.

Next January, when members of the American Central Field Club assemble at Biloxi for a well-earned period of relaxation, those who golf will indeed enjoy the thrill of thrills—perfect weather and a perfect course! Certainly it pays big dividends to be an American Central Field Club member!



*Just one of the many reasons why American Central representatives are happy and successful.*



No. 5 of a Series

Subsequently he became general agent, leading the company's production during his two years' service. Mr. Hyman is 35, and entered the general insurance business as an office boy 18 years ago, eventually becoming a manager. During the past few years he has produced over a million a year.

#### London Life Appointments

The London Life announces the appointment of T. H. N. Fleming, formerly manager at Stratford, as manager

for southern Alberta, and of W. E. Wolfe, formerly district manager for northern Ontario, as manager for British Columbia with headquarters at Vancouver.

#### Chester B. Dobbs

Chester B. Dobbs, who for the past year has been with the Detroit agency of the Mutual Benefit Life, has returned to Nebraska to resume charge of the general agency of that company in Lincoln.

## CENTRAL WESTERN STATES

### HANSEN WILL BE BIG FACTOR

Newly Appointed Assistant Director in Illinois Will Assume Many Insurance Department Responsibilities

Harry Hansen, who has been appointed assistant director of trade and commerce in Illinois, is expected to assume many of the insurance department responsibilities that have been laid upon Director Leo H. Lowe. Mr. Hansen served as executive clerk in the secretary of state's office during the entire time that L. L. Emmerson, now governor of Illinois, was secretary. Mr. Hansen will have his desk in the state insurance department office and last week was introduced to the office staff and attaches by Insurance Superintendent George Huskinson. It is understood that Mr. Hansen will be in direct touch all the time with the state insurance department, thus giving Mr. Lowe more time to look after the general affairs of his office. Mr. Hansen is scheduled to be at the meeting of the National Convention of Insurance Commissioners at Toronto next week. Director Lowe, Superintendent Huskinson, Actuary T. Loyal Anderson and Special Counsel C. J. Doyle are also registered for attendance at the convention.

#### Agency Makes Great Gain

In August the Alexander E. Patterson agency of the Penn Mutual in Chicago paid for 162 cases for a total of \$1,119,203, a gain of 137 percent over August, 1928. The agency has now paid for over \$1,000,000 a month for six consecutive months. Total paid business for the eight months of 1929 is \$9,953,708, compared to \$5,530,402 for the same period of 1928. Gain over last year is \$4,423,306, or 80 percent increase. The agency plans to make September the

seventh million dollar month by paying for a million of business before Sept. 14, when most of the producers leave for the company's annual convention at Quebec.

#### Keck Agency Makes Record

The Hugh B. Keck agency of Chicago ended its first year of affiliation with the Northwestern National Life, Sept. 1, with a production total for the year of \$6,151,000, more than double the quota fixed for it.

The agency has been operating upon a weekly quota basis of \$5,000 minimum production per man. It is agreed that is the low limit of production necessary to provide for the proper kind of living for the agents and families. Mr. Keck points out that if each agent will increase his minimum to \$6,000 weekly, the agency will attain its goal for the coming year. Such an increase Mr. Keck terms "within reason."

#### Starts at High Speed

Elmer Tibbetts, producer of the Great States Life of Bloomington, Ill., although he has been with the company only since the last week in May and never had previous experience selling life insurance, won the coveted honor of a watch which is the Great States' official gift to every man who produces \$100,000 of paid business in a single month. Mr. Tibbetts wrote \$6,000 of ordinary business in June, \$23,500 of ordinary and 19-pay in July and in August he paid for \$107,500 on 33 lives. Thus in three months he has paid for \$137,000, or at the rate of nearly \$46,000 a month. Previously Mr. Tibbetts lived in Pontiac, Ill., and was manager of the Singer Sewing Machine Company for Bloomington, Lincoln and Springfield, Ill. In the first week of September he wrote \$50,000 of business.

## IN THE MISSOURI VALLEY

### INSURANCE DAY DATE SET

Nebraska Gathering to Be Held in Lincoln, Oct. 25—Kavanagh to Speak

LINCOLN, NEB., Sept. 12.—Nebraska insurance day will be held in Lincoln, Oct. 25. There will be morning and afternoon sessions addressed by outstanding figures in the insurance world, and at night there will be a banquet largely devoted to fun-making. The insurance subdivision of the local chamber of commerce, of which Maurice A. Hyde is chairman, is in charge of arrangements as was the case last year, when the first gathering was held. Mr. Hyde is being assisted by a committee made up of A. R. Talbot, head consul of the Modern Woodmen; Howard S. Wilson, president of the Bankers Life of Nebraska; Fred E. Walt, president of the Union Fire of Lincoln; Frank E. Helvey, secretary of the Nebraska Insurance Federation, and George S. Davies, manager of the Metropolitan Life. Mr. Talbot and E. J. Faulkner

head the committee on finance; Mr. Helvey that of publicity; Mr. Walt in charge of entertainment and W. H. Logan, president of the Lincoln Life Underwriters Association, registration.

Governor Weaver and Mayor Love will make the welcoming addresses, and among those already secured for the general program are J. E. Kavanagh, vice-president of the Metropolitan Life; O. E. Aylshire, Chicago; Richard E. Vernon, fire prevention expert; Frank M. Chandler, Employers group, Chicago, "father of insurance day," and Frank T. B. Martin of Omaha, president of the Insurance Federation of America. The general theme of the program will be "The Value of Insurance the Basis of All Progress." A special effort will be made to get a number of large buyers of insurance to attend.

#### Reliance Life Meeting

Fifty men attended the organization meeting of the course in selling insurance conducted by the St. Louis agency of the Reliance Life. The training course is under the direction of Michael D. Flavin, supervisor, and L. L. Rosen-

burg, educational director. The classes will meet Tuesday and Friday evening for 16 weeks at the agency office at the Railway Exchange building. The first meeting was informal in character and included talks by Mr. Flavin, Carl M. Kron of the home office, and Donald H. Clark, editor of "Life Insurance Selling."

### CAULFIELD GIVES WELCOME

Missouri Governor on Program for First Insurance Day at Jefferson City Oct. 8

Governor Henry S. Caulfield will deliver the address of welcome on behalf of the state to the insurance men attending the first annual Missouri Insurance Day at Jefferson City Oct. 8. Joseph B. Thompson, superintendent of insurance, will also be on the program. The final program will be announced next week.

Headquarters will be at the Missouri Hotel, the program being conducted in the hall of the house of representatives in the capitol building. A chicken barbecue and dance will be held in the evening. Henry C. Asel, former chief clerk of the Missouri department and now secretary and treasurer of the United Mutual Insurance Association, is in charge of the arrangements for the barbecue.

T. S. Ridge, Jr., president of the Missouri Association of Insurance Agents, is general chairman. Wilbur F. Maring, Jr., secretary of the Kansas City Association, is general secretary of committees. The executive committee includes T. S. Ridge, chairman; W. T. Grant, president Business Men's Assurance; W. O. Woodsmall, state agent Fire Association, Kansas City; Charles M. Howell, insurance attorney, Kansas City; Carl S. Lawton, Lawton-Byrne-Bruner agency, St. Louis; Paul W. Terry, manager Missouri Inspection Bureau, St. Louis, and Joseph B. Thompson, superintendent of insurance, Jefferson City.

Local arrangements are in charge of Hugh Stevens, president Jefferson City chamber of commerce; Clarence O. Hanes, secretary chamber of commerce; Henry C. Asel, secretary and treasurer United Mutual Insurance Association; Walter Steininger, Steininger agency, and Fred L. Dunlap, secretary-treasurer Capitol Mutual Association.

#### Embry Agency Well Represented

Sixty out of 160 members of the Kansas City agency of the Equitable Life of New York qualified to attend the Equitable convention at Toronto. The qualifications for attendance were \$150,000 paid-for business and \$5,000 in premiums. Two sons of Manager A. M. Embry, just out of college, qualified for the trip to Toronto, so that the Embry family will be at the convention 100 percent strong.

With a paid business of \$2,300,000 in August, the biggest month in its history, the agency now has \$12,980,978 for the year, nearly \$2,000,000 ahead of 1928.

#### Will Continue Home Office School

The Bankers Life of Nebraska will continue its policy of operating a home office school for training of agents, and is arranging for a new term in October. Pupils are men recommended by district agents as excellent timber, and when they get through are given places in the district from which they registered. A. B. Olson, in charge of agency work, says that more than 28 per cent of all the business produced the first half of 1929 was written by men who had gone through this school, and that the company wants more of them because of the qualities of leadership they develop.

#### St. Louis Y. M. C. A. Course

Frank M. See, manager of the St. Louis office of the Union Central Life, will again be an instructor of the life

insurance course at the Downtown Y. M. C. A. Enrollment for the school will end Sept. 23.

The course is part of a three-year program arranged in cooperation with the National Association of Life Underwriters on preparation for the degree of "Chartered Life Underwriter."

Mr. See will teach "Principles of Salesmanship of Life Insurance." L. C. Byars, manager of the St. Louis branch of the Travelers, will give a course on "Principles and practices."

#### University Gives Advanced Course

The University of Minnesota will give a course in advanced life insurance at its fall extension school. In the three-year course leading to a certificate in life insurance, the extension division is cooperating with the Minneapolis Association of Life Underwriters. R. A. Graves of the University of Minnesota school of business administration, will be instructor. Subjects will include life insurance theory and salesmanship, economics, accounting and other courses. The course will answer the requirements for preparation for the degree of Chartered Life Underwriter offered by the American College of Life Underwriters.

#### Drake Offers C. L. U. Course

Courses preparing students for degrees from the American College of Life Underwriters will be offered at Drake University night school in Des Moines this fall, according to announcement just made by Dean Hoffman. The courses will include not only insurance subjects but such other subjects as are included in the examination for the C. L. U. degree. The courses have been planned by a group of Des Moines insurance men.

#### Consider Thrift Association Activities

Arrangements are being made by life insurance leaders in Nebraska for a meeting at Lincoln later in the month to consider the activities of the thrift associations, which are writing contracts that have a small insurance coverage, and some of whose agents are reported to be representing them as life insurance contracts. Protests have been made in the last six months to the state insurance department, but the almost invariable answer has been that these come within the exception of the standard policy law with respect to those companies selling on the monthly premium basis. The meeting will be attended by members of the life agency managers association, executives of the various home companies in Nebraska, and the presidents of the Nebraska life underwriters associations. An address before the Lincoln association some months ago by W. W. Putney, president of the Midwest Life, has been revised and one of the objects of the meeting will be to discuss the advisability of publishing this in such form that it can be circulated among insurance buyers.

#### Klingman Agency Has Special Train

A special train of 11 coaches will carry the Klingman agency delegation from St. Paul to the educational conference of the Equitable Life of New York at Toronto. The train will leave St. Paul Friday, Sept. 13. There will be around 150 on the train, including invited guests. Following the Toronto meeting, 14 Klingman agents will go to New York to participate in the 70th anniversary fête.

The Klingman agency turned in more than \$5,000,000 paid-for business in August, one of the biggest months the agency has ever had.

#### Missouri State's Business

A gain of \$7,628,437 in written business is reported by the Missouri State Life in August, as compared with the same month in 1928. Ordinary and group sales totaled \$36,804,103 for the month as against \$29,175,666 for the corresponding month of last year.



## IN THE SOUTH AND SOUTHWEST

### DEATH PRESUMPTION UPHELD

#### Virginia Court in Seven-Year Disappearance Case Approves Judgment Against Company

In *Metropolitan Life vs. Botto*, supreme court of appeals of Virginia, 143 S. E. 625, plaintiff brought an action on a policy issued to her husband and introduced evidence which tended to show that the insured had disappeared more than seven years prior thereto, and had not been heard from since. She took the position that the presumption of death entitled her to payment of the policy in question. The defendant introduced some evidence which tended to prove that the insured had been seen alive since his disappearance, but the jury found for the plaintiff.

#### Evidence Held Sufficient

On appeal the higher court, in holding that the evidence was sufficient to sustain the finding of the jury, and in affirming the judgment, said:

"In our opinion, the plaintiff, upon whom rested the burden of meeting the statutory requirements, has successfully borne the same. Upon the close of the plaintiff's case, had the defendant been content to submit the case to the jury, there could have been but one result—a verdict for the plaintiff—upon which the court would have been warranted in entering judgment. The same result would have followed if a demurrer to the evidence had been interposed by the defendant. . . . Upon the whole case, we are of opinion that the question in issue was a jury question, which has been fairly submitted to the jury, and the verdict of the jury should not be disturbed. Affirmed."

#### Lincoln National's Tennessee Meeting

Tennessee agents of the Lincoln National Life will meet in Nashville, Sept. 30-31. The purpose of the meeting is to present prizes won by Tennessee agencies the past year. Two of the three "Hall Plaques" presented each year by the company to the agency selling and paying for the most insurance will come to Tennessee this year. An agency winning the trophy three years in succession retains it permanently.

The Nashville agency under L. C. Evans, general agent, will receive one of the plaques, while the other will go to the Chattanooga agency, R. S. Sloan, general agent. A sterling silver cup will be presented to W. T. Hoge of Jasper, Tenn., for having sold and paid for more insurance than any other agent in Tennessee.

#### Protective Gets Farm Bureau Group

The Alabama Farm Bureau has arranged to insure several thousand of its members in the Protective Life of Birmingham. In addition to the insurance which is paid for by the bureau, individual farmers will have the opportunity of buying extra insurance up to a limited amount, subject to evidence of insurability at a low yearly renewable term rate.

#### American Provident Holds Convention

The third annual convention of the American Provident Life of Houston was held a few days ago, with more than a score of the best producers of the company attending. K. S. Dargan had charge of the arrangements for the convention.

#### San Jacinto Life Meets

Some 50 agents from Texas and Louisiana attended the annual agency convention of the San Jacinto Life at Beaumont, Tex. Agents were given an opportunity to meet and discuss the situation in their districts with President R. B. Cousins, Jr.

W. A. Tarver, chairman of the state board of insurance commissioners, was a guest during the convention and delivered an address.

The morning sessions of the convention considered business matter and agency problems and the afternoons and evenings during the convention were devoted to entertainment.

#### Southeastern Life Record

Field men of the Southeastern Life of Greenville, S. C., produced a greater number of applications for a larger volume of business in August than in any other month in 24 years. In October the company begins its silver anniversary year, having been organized in 1905.

#### Entertain Luncheon Clubs

For the past few weeks the Protective Life and radio station WAPI at Birmingham have been entertaining as their guests, members of the various luncheon clubs and business organizations in that city. Novel programs cut out in the shape of the home office building have been used. The program consists of four pages and a cover. One page is given over to the program of the day and the others have a write up of facts about the company and the radio station, and pictures of the cathedral studio where the entertainments are held. At each meeting a buffet luncheon is served after which a program is broadcast not only for the members of the club, but also for the radio audience.

#### Asks Insurance Suggestions

The insurance research committee of the house of representatives of the Mississippi legislature has issued an appeal to the newspapers of the state to aid it in securing information and suggestions from the insurance buying public of Mississippi. It is the desire of the committee to secure from individuals and commercial organizations in the state their ideas and suggestions as to remedial insurance legislation.

The committee is composed of L. F. Hendrick, Jackson, Miss., chairman; J. B. Snider, Jr., Senatobia, Miss., secretary, and A. A. Weille, Vickburg, Miss.

#### Observe "Insurance Sunday"

The first Sunday in October will mark the fifth "Insurance Sunday" for Tennessee. In 1924 a movement was started to establish "Insurance Sunday" by Frank C. Allison, general agent in Nashville for the Pacific Mutual Life. The first proclamation was issued by the late Governor Austin Peay, Sept. 10, 1924, setting aside the first Sunday in October as "Insurance Sunday." In his proclamation, he requested all ministers over the state to deliver sermons on insurance for that day and a large number responded.

Governor Peay issued a like proclamation the succeeding years of his governorship, and Governor Horton has kept up the custom.

#### San Antonio Agency Is Training Class

The Jefferson Standard Life agency in San Antonio is preparing to open a training class for agents in that section of the state. The class will be limited to 12 students and will complete the course in 12 weeks. Two classes will be held weekly.

#### Fidelity Life's Progress

The Fidelity Life of Birmingham, Ala., at an agency meeting announced that it has written \$2,225,000 since it was organized last November. It is expected that it will write another \$1,000,000 before next November, completing

## SERVICE LIFE INSURANCE COMPANY

Exceedingly liberal contracts are offered to reputable and responsible agents. An unusual agency proposition is extended in districts where the company is not now represented.

For information write

B. R. BAYS, President

JOHN L. OESCHGER, Secretary-Treasurer

Home Office

Lincoln, Nebraska

## WANTED— A MAN!

Possessing the following qualifications:

AGE 35 or over, seasoned and a producer.

THREE years of life insurance experience.

Must be personally acquainted with at least 25 life agents.

## TO HIM— WE OFFER

—The Highest commission for low cost participating insurance.

—The services of an experienced field man, to help him in the field, appointing sub-agents, giving sales helps and to "PUT HIM OVER"

Over \$100,000,000 in Force

We are particularly interested in Pennsylvania men. Write fully. We will not check references until after interview.

Address M-50, care The National Underwriter



## SAFETY PROTECTION SAVINGS



A company whose  
ideas are in accord  
with modern times

For Agency Opportunities, Write  
J. T. MAYALL

R. S. TIERNAN

President

J. T. MAYALL

Vice Pres. & Agency Mgr.

D. SHARPE

Secy. & Treas.

**AMERICAN SAVINGS LIFE**  
INSURANCE COMPANY  
Board of Trade Building  
KANSAS CITY, MISSOURI

## "In This Way We Measure"

A LIFE INSURANCE COMPANY may well measure its success by the good it performs rather than by great size. Through eighty-six years THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK, the "first American Company," has measured its success by the scope, manner and degree of its service. In such a way it is measuring now as its service broadens.

Issuance of contracts of all standard forms, substantial dividends, income settlement provisions, Disability and Double Indemnity Benefits, and prompt payments and practices for convenience of members are embraced in its present service.

It welcomes as field representatives those who know that success is according to the natural law of compensation—that the best comes to those who give out the best of themselves.

**The Mutual Life Insurance Company**  
of New York

34 Nassau Street  
DAVID F. HOUSTON  
President

New York, N. Y.  
GEORGE K. SARGENT  
2nd Vice-President  
and Manager of Agencies

## "We Write All Standard Forms of Participating and Non-Participating Insurance Contracts and in Addition the Following SPECIALS"

1. Ordinary Life Special \$5,000.
2. Personal Life Monthly Income for Rejected Risks.
3. The Best and Most Liberal Sub-Standard Facilities.
4. Children's Educational Policies age 1 day to 19 years.
5. Up-to-date Health and Accident Policies.

We welcome to our Ranks only serious-minded men of character and integrity—men who are intent upon success—and to whom we offer exceptionally liberal and profitable contracts.

Very desirable territory open in

OHIO — INDIANA — KENTUCKY — TENNESSEE

Address S. M. CROSS, President

**COLUMBIA LIFE**  
INSURANCE COMPANY  
Cincinnati, Ohio

## EIGHTEEN MILLION PLUS ON THE LIVES OF POLICY HOLDERS

January 1, 1929, to July 31, 1929, inclusive

Percentage of Total New Life Insurance.....	25
Total Number Applications on Lives of Policy Holders .....	3,427
Total New Life Insurance on Policy Holders...\$18,208,394	

**BANKERS LIFE COMPANY**

GERARD S. NOLLEN, President

Established 1879

DES MOINES, IOWA

its first year of existence with \$3,000,000 of business, according to John M. Corr, president.

### Texas Deputy Commissioner Resigns

W. A. Sandlin, deputy commissioner of insurance of Texas for the past six years, has resigned his post to be associated with a San Antonio bank. He is succeeded in the insurance department by J. E. Robertson, formerly with the state banking department.

### Alamo Life Has "Endurance Flight"

The Alamo Life of San Antonio, Tex., is staging a unique 90-day sales contest. An "endurance flight" has been arranged, beginning at noon, Sept. 3 and ending at midnight Nov. 30. The objective is \$500,000 a month, with a total of \$1,500,000 for the 90-day period.

Squadron commanders, pilots, refueling pilots and observation officers have been chosen from the leading agents and home office force. Special airplane letterheads, bulletins, and application blanks have been prepared. Nine major awards, with 15 minor awards and 100 souvenir airplane trophies are waiting the winners of the "endurance flight."

### New Texas Company

The Dixie Mutual Life of Fort Worth, Tex., has been granted a charter.

It is a mutual legal reserve company with no capital stock. Approximately 200 applications for insurance have been approved, representing insurance in force of \$250,000.

Directors are: A. P. Barrett, Dr. Webb Walker, Silliman Evans, Robert A. Stuart, L. M. Darden, J. K. Barnes, C. R. Smith, all of Fort Worth, and Carl C. Hardin of Stephenville, and Joe Moore of Greenville.

### Oklahoma Agent Loses License

The Oklahoma insurance board has revoked the license of C. A. Taggart, special agent for the Reserve Loan Life at Ardmore. Mr. Taggart was charged with failure to refund on rejected applications and with splitting commissions. He failed to appear at the hearing and the license was revoked by default.

### New Agency Director Honored

Floyd M. East, formerly of Nebraska, who has been appointed agency director for the New State Life of Oklahoma City, was guest of honor at a banquet given by company officers and employees. George W. Quinn acted as toastmaster.

### Union Life Has Moved

The Union Life of Arkansas has moved from Rogers to Little Rock and is now located at 401 Main street.

## PACIFIC COAST AND MOUNTAIN

### HILL BUILDING BIG AGENCY

California Manager for the State Life Gives Close Observation to Developing Agents

A. J. Hill, manager of the State Life of Indiana for California, who has one of the largest agencies in the state, with 150 producers, has developed good agents out of all kinds of material. One of his best men was formerly a barber. Mr. Hill takes them as he finds them and gives supervision and help. He does not deal in glittering generalities but in concrete facts. When an agent from a small town sent in a risk on a man who ran a laundry, he wrote back and asked whether there were not other laundry men in that town. The result was three applications.

He believes that each agent should carry enough insurance on his own life to prove that he is thoroughly sold on

his own product. He asks his agents to report to him daily on their interviews and prospects on a special form. He takes a personal interest in each man, large as his list of agents is. His weekly bulletin bristles with facts that will help his agents, not many general facts, but helpful points of interest taken out of the daily mail. He is interested in one thing, to help his agents make money and make a success in life. He helps and guides them in having their savings and investments. He signs all his letters "Yours for Life," and has copyrighted the line, which is also the name of his weekly agency bulletin. Mr. Hill maintains large offices at both San Francisco and Los Angeles and thoroughly covers the great state of California.

### Great American Life Incorporates

The Great American Life, 502 Boston building, Denver, has been incorporated. Incorporators are R. Louis, H. Ruth and F. E. Jenkins.

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature. Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and April respectively. PRICE, \$4.00 and \$2.00 respectively.

### NEW CONVERTIBLE POLICY

Connecticut General Issues New Contract with Privilege to Change Up to Age 65

The Connecticut General Life has announced a new convertible to age 65 policy. It is designed to give maximum protection when most needed at a low cost with flexibility enough to take care of the future requirements. The premium which in higher forms of insurance is used to build future equities is applied in the convertible to 65 policy to provide additional insurance when needed most. In the last few years like many other companies the Connecticut General has experienced a large growing demand for term insurance. The public has been showing a strong desire to obtain ample insurance early in life—more than could be paid for on any permanent plan. The Connecticut General has not been satis-

fied with the regular term policy which often terminates when it is needed most. It also feels that a short conversion period is not satisfactory because most men increase their earnings during the short period within which the usual term policy is convertible.

The convertible to age 65 policy is issued in amounts of \$5,000 or more and is nonparticipating and can be converted to any form of life or endowment insurance at regular rates with a guaranteed annual credit. It may also be continued for a reduced amount without increasing the annual outlay. It may be surrendered for cash value of \$100 per \$1,000 or the contract will be automatically converted at age 65 to ordinary life if none of these options are selected. The policy can be converted without examination to any form of life or endowment insurance after it has been in force five years. The credit on conversion varies with age at issue and at time of conversion and also with the paying

period of the plan to which the conversion is made.

Rates per \$1,000 and the annual credit per \$1,000 of insurance in case of conversion to the ordinary life plan are given below.

Age	Prem.	Age	Prem.	Age	Prem.
16	\$9.92	29	\$12.57	42	\$17.97
17	10.07	30	12.86	43	18.58
18	10.21	31	13.17	44	19.24
19	10.37	32	13.49	45	19.94
20	10.52	33	13.82	46	20.81
21	10.71	34	14.19	47	21.75
22	10.91	35	14.57	48	22.76
23	11.11	36	14.98	49	23.87
24	11.33	37	15.41	50	25.06
25	11.55	38	15.86	51	26.33
26	11.79	39	16.36	52	28.36
27	12.04	40	16.87	53	30.26
28	12.29	41	17.40	54	32.37

#### Conversion Credits

Age at Issue	25	30	35	40	45	50
16	\$0.90	\$2.01	\$3.41	\$5.16	\$7.34	\$9.95
17	1.13	2.55	4.34	6.56	9.25	
18	1.45	3.28	5.57	8.35		
19	1.88	4.26	7.16			
20	2.48	5.55				
21	3.30					

#### Midwest Life, Nebraska

Rates on a new five-year convertible term policy have just been sent out by the Midwest Life of Nebraska. A minimum of \$5,000 has been set because of the low rate at which the policy is issued. For this reason the company has not decided to withdraw its yearly renewable term policy. The rate remains level for the full five years on the five-year term policy and it may be converted any time within that period.

The company is now using riders on policies where total and permanent disability and double indemnity is offered instead of replacing the original policy with policies containing these clauses. The Midwest has embodied these in the body of its policies, but in the new forms it is omitting them altogether and using the rider, in the belief that future changes can be quickly made and at a less cost than if it were necessary to junk all old policies and print new ones.

#### ACCIDENT—HEALTH

#### BONEY EXPLAINS HIS RULING

North Carolina Commissioner Interprets the Department's Position on Temporary Total Disability Provision

Insurance Commissioner Boney of North Carolina calls attention to a false report that went abroad regarding a ruling forbidding the use of policy forms providing for temporary disability and providing as a condition of recovery that the assured be disabled from performing "any occupation" rather than "usual occupation." Major Boney states that this ruling was promulgated a number of years ago by the department and has been in force since that time. He says that the department has never objected to the use of the word "any occupation" when used in conjunction with total and permanent disability but where temporary total disability is provided for the department has continuously and uniformly declined to approve forms requiring that the assured as a condition of recovery of the benefits provided be disabled to the extent that he is thereby prevented from pursuing "any" gainful occupation.

#### TO TAKE OVER OLD BUSINESS

United States Mutual's Health and Accident Insurance to be Reinsured in United

A meeting of stockholders of the United Insurance Company of Chicago called for Oct. 5 when a proposition will be submitted to reinsure the business of the United States Mutual in the United. The United States Mutual is a mutual accident and health company that has built up a very large business with O. T. Hogan, president, and A. D. Johnson, secretary. These men also oc-

cupy similar offices with the United, a legal reserve life company, whose capital has just been increased from \$100,000 to \$200,000. With the acquisition of new capital the United, therefore, can write accident and health business as well as life. The business will all be merged therefore into the legal reserve company. Messrs. Hogan and Johnson have developed a very profitable business which is constantly growing.

#### Issues New Automobile Policy

The Midwest Life of Nebraska has issued a new automobile accident policy, written in all classes from AA to XX at a premium of \$5 a year. It provides not to exceed \$1,000 for total disability, \$20 a month for partial disability not to exceed two months, 50 percent increase in indemnity for hospital confinement not to exceed two months, \$10 doctor bill for nondisabling injuries and \$100 emergency expenses.

On general indemnity policies, unless the risk is very favorable, the company refuses to issue policies calling for more than a maximum of \$200. Where an applicant is shown to be carrying up to \$300 a month in other companies, the Midwest has been chary about issuing additional coverage. President Putney says the experience of his company has coincided with that of others in that the loss ratio is larger on the bigger policies than on the smaller.

#### Satisfied With Aviation Rider

PHILADELPHIA, Sept. 11—When companies a year ago placed an aviation rider in accident policies without increase in the rates doubt was expressed in some quarters whether it was a wise move on the part of the companies. A survey brings out the interesting point that not only was it a wise move in creating a new sales point but that the airplane has not yet become an important factor in loss ratios. However, it is said that one New York company has been rather hard hit on aviation accidents. Accident underwriters do not believe that the airplane will prove the cause of many compensable accidents. They point out that the accident policy covers only passengers on aircraft and that the number of crashes on established air lines is small and will continue to grow smaller as the aviation industry develops safety appliances.

#### Opens Salt Lake Office

Opening of a branch office of the Sterling Life, Health & Accident of Los Angeles at Salt Lake City is announced by T. A. Robertson, superintendent of agencies in connection with the appointment of J. T. Sanders as branch manager there. Mr. Robertson also reports immediate formation of a substantial agency organization at Salt Lake and the production of a gratifying volume of new insurance in the first week.

#### J. C. Kimbel Promoted

J. C. Kimbel, who has been associated with the industrial claim division of the Commercial Casualty as an examiner for the past two years, has been promoted to take charge of industrial underwriting, aiding Theodore W. Budlong in handling the affairs of the industrial division at the home office.

#### Two Made Field Superintendents

W. Reidinger of Cincinnati and J. W. Toulon of Houston, Tex., have been promoted to field superintendents by the Washington Fidelity National in their respective districts.

#### Consider Uniform Statutory Definitions

H. G. Garrett, superintendent of insurance for British Columbia, is meeting a joint committee at Toronto this week to consider uniform statutory conditions of the uniform insurance act. This meeting is in advance of the meeting of the superintendents of insurance for the Dominion.

The joint committee consists of: All Canada Fire Insurance Federation, A. Hurry and P. L. Monkman; fire company officers, J. A. Robertson, Wm. A. Thomson and C. E. Sword, and life company officers, E. E. Reid, H. R. Stephenson and John Appleton; casualty company officers, C. W. I. Woodland, W. A. Thomson and V. Evan Gray; Superintendents H. G. Garrett, R. Leighton Foster and W. H. Gilliland.

## The Modern Convention

Among the many improvements made by life insurance companies in Agency management, is the present-day Convention. Instead of the old-time programs made up of many windy speeches and papers by Home Office officials and General Agents, few of them having any value, we have "tell 'em how" talks and "show 'em how" demonstrations-meetings that teach, uplift, inspire, enlarge the underwriter's knowledge, expand his salesmanship capacity, strengthen his ethics, and aid him to reach the status of the ideal life underwriter—a life insurance counsellor.

Life insurance, for all life underwriters, is a better profession because of the part that the modern Convention plays. And small companies, as well as large, have worthily contributed to this desirable program progress.

Wm. A. Law, President

Wm. H. Kingsley, Vice-Pres.

Hugh D. Hart, Vice-Pres.

## The Penn Mutual Life Insurance Company

Philadelphia, Pa.

Independence Square

Founded 1847

## NAMES — WORTH \$2.82 EACH!

Nearly two hundred thousand names were circularized under Fidelity's lead service plan during the past year.

The average premium value of each name proved to be \$2.82.

Fidelity's lead service has been in successful operation for nearly fifteen years and has afforded Fidelity agents an easier and more resultful selling program.

More than \$400,000,000 insurance in force. Contracts available in thirty-nine states.

Write for Booklet "What's Ahead?"

The FIDELITY MUTUAL LIFE INSURANCE COMPANY PHILADELPHIA  
WALTER LEMAR TALBOT, President

## Eureka-Maryland Assurance Co. OF BALTIMORE, MD.

Incorporated Under the Laws of Maryland, 1882

WE ISSUE

STANDARD ORDINARY AND INDUSTRIAL POLICIES

J. N. WARFIELD, President  
J. BARRY MAHOOL, Vice-President

A. W. MEARS, Secretary  
DR. EDWARD NOVAK, Medical Director

## The A & H Review

A monthly magazine for health and accident salesmen. \$2 a year.



## NEWS OF LIFE ASSOCIATIONS

### FIRST FALL MEETING HELD

Lincoln Association Hears H. O. Wilhelm of Omaha—Plans for Year Outlined

LINCOLN, NEB., Sept. 12.—The Lincoln Life Underwriters Association held its fall meeting last week. President W. H. Logan presided. H. O. Wilhelm of Omaha, president of the Nebraska Life Agency Managers' Association, spoke of the need of having a permanent insurance commissioner for Nebraska. He characterized the situation as a danger to the life insurance business. He said it was impossible to get a man for the position who knows all branches of insurance and he urged the fire and life insurance men to end their differences and unite on a capable candidate for commissioner.

#### Topics for Year Listed

President Logan outlined the objectives for the year and Chairman Allen R. Beach of the program committee announced the topics for the nine meetings in the association year.

At the October meeting the state insurance department and state legislation will be discussed, in November, insurance ethics, with special attention to rebaters; December, thrift company plans and policies; January, thrift week

campaign; February, advertising the association and individuals; March, requirements of the certified life underwriter college degrees, with a university man as speaker; April, the big seller; May, the big buyer, with a large purchaser of insurance as speaker; June, the accomplishments of the year.

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Richmond, Va.—Taking out of life insurance for the education of a man's children has become such a usual practice that the Richmond association decided to communicate with the normal schools, colleges and universities in the state to procure information as to the cost of a college education. The information has been gathered and tabulated and distributed among all the members of the association. The figures show that a girl can go through a state normal or a private school of similar standing at a cost ranging from \$360 to \$1,500 for one session. Cost for boys at college or university ranges from \$500 to \$2,000.

\*\*\*

Grand Rapids, Mich.—The Grand Rapids association surpassed its quota in the national membership drive by 113 percent. It was announced at its annual meeting. A number of interesting programs are being planned for the year with life insurance leaders obtained as speakers, it was announced. D. H. Treleven of the Massachusetts Mutual is the new association president.

\*\*\*

Mississippi—The Mississippi association voted unanimously for a continu-

ance of its training school, to be resumed Sept. 19, and renamed Arthur E. Babbitt, actuary of the Lamar Life, as educational director. The school will be held once a week and the course outlined for a C. L. U. degree is to be followed. The classes will be held once a week in the Lamar Life building and will be open to all underwriters in Mississippi who care to attend. The personnel is made up principally of Jackson life underwriters. The school was

launched by President Tom Hand, Reliance Life, and was conducted for three months but suspended during the summer.

\*\*\*

Cedar Rapids, Ia.—Members of the Cedar Rapids association heard Van Young of New York City at their meeting last week. Mr. Young, a leading life insurance salesman, was visiting his brother, J. S. Young, in Cedar Rapids.

## WITH INDUSTRIAL MEN

### WESTERN & SOUTHERN NEWS

Effect of Man Power on Life Insurance Company is Pointed Out by E. J. Wohlgenuth

E. J. Wohlgenuth, president of The National Underwriter, was a speaker at the Cincinnati convention of the Western & Southern Life. In his address, delivered at the banquet, he said: "As I sat here at this table looking over this group the thought occurred to me that 'Here is man power.' I could not pick out a man before me and say that man is a weakling. You all look like men to me. When I realize this is just a small part of the Western & Southern I can see what has made it one of the greatest in the insurance world. We publish every year the companies in the order of the largest first and every year Western & Southern steps up one or two. That little change in that table is bringing Western & Southern slowly and surely to the top, done by you men, working so splendidly in coordination. That is the spirit, the hard work, cooperation, and good fellowship, and the leadership.

"It is very important that an organization should have a number of men of ability at the top. In such an organization as this they are being produced all the time. You cannot find men on the outside who can take these important positions, and in a growing company like this there must be room for promotion and opportunity. The man on the debit is the man who reaches the people and the future growth and the business depends largely on his efforts. His opportunities are without limit."

#### Awards Are Made

A magnificent silver-inlaid plaque of W. J. Williams, president of the Western & Southern Life, was unveiled by Vice-President C. F. Williams at the convention. It is to be awarded to the district in Division A which has the most satisfactory record during the last four months of 1929.

Individual awards were made by President Williams to the following division leaders: Superintendents W. D. Davis, Toledo North; R. F. Simpson, Newport; C. P. Brawley, Norwood; L. F. Mackley, Toledo South; Assistant Superintendents H. S. Kuhns, Lima; M. Sutton, Toledo North; T. Dobrzykowski, Toledo South; W. T. Hoeken, Lima; E. Molloy, Cincinnati North; R. T. Davidson, Norwood; Agents V. A. Terry, Lima; E. Williams, Newport; U. G. Furnas, Piqua; C. O. Poe, Norwood.

Ordinary Club buttons were presented by C. M. Biscay, manager of the ordinary department, to the following agents at the convention: G. R. O'Dell, Cincinnati Park; E. Hufziger, Dayton; R. Kantner, Lima; A. Wieman, Lima; E. Kanney, Toledo South; J. Frass, Toledo South; H. Balsmeyer, Toledo South; C. Poe, Norwood, and W. Krast, Cincinnati North.

#### Hold Convention at St. Louis

Vice-president Charles F. Williams was the principal speaker September 7 at the company's convention of field representatives from Missouri, Illinois and Indiana, at the Hotel Coronado, St. Louis.

In his address the vice-president mentioned the company's great record this year and stated that its assets are now approximately one hundred million dollars, with the insurance in force amounting to almost eight hundred millions. Four thousand field men now represent the company throughout its territory. Other speakers on the convention program included Superintendent of Agencies Tom Jenkins, Charles M. Biscay, manager of the ordinary department, and J. J. Doyle, publicity director. The convention closed with a banquet at the Coronado. During the St. Louis conven-

tion a new district office was opened in that city.

President W. J. Williams, and Vice-President C. F. Williams of the Western & Southern Life will attend the Insurance Commissioners' Convention at Toronto, Canada, which will be held at the Royal York Hotel September 23-25.

Custer E. Seckinger has been appointed superintendent of the Western & Southern at Parkersburg, W. Va. He was formerly agent and assistant at Athens, O.

David P. Lewis, formerly assistant at Grand Rapids, Mich., has been appointed superintendent at Battle Creek. He was formerly detached assistant at Muskegon, Mich.

H. W. Wannenwetch, for many years vice-president and now a resident of Virginia Beach, was the guest of President Williams recently.

#### Home Friendly Changes

The Home Friendly of Maryland has made the following agency promotion and changes:

Bernard Haughey of Chester, Pa., has been appointed detached assistant to Peter Pretcoe, assistant superintendent, who was recently put in charge of the Chester office to succeed Clarence C. Cole, who was made superintendent at Wilmington.

Henry H. Edelen has been made assistant to Elmer O. Jones, superintendent of the newly opened district of Philadelphia.

Clarence L. Arscott, assistant at Havre de Grace, has been sent to open a new office for the company at Lancaster, Pa., and E. H. Gibson of the Havre de Grace agency will succeed Mr. Arscott at that place.

#### John Hancock Changes

The following have been promoted by the John Hancock Mutual from agents to assistant district managers in the districts of their service:

Joseph R. Klassen, Chicago, No. 1; Robert B. Sturgis, Columbus; Abraham Saltzman, Chicago, No. 5; Wm. A. Boone, Los Angeles, No. 3; Wm. J. McHale, Oakland, No. 2; Henry L. Burns, Worcester, Mass.; Chas. Galfeld, Cicero, Ill.; Sam Balsamo, Cicero, Ill.; Cornelius J. Robbins, Chicago, No. 8; Geo. S. Hart, Springfield, Ill.; Daniel R. Swaabe, Los Angeles, No. 4; Timothy A. Murphy, Chicago, No. 10; Jas. R. Pollock, Flint, Mich.; Jos. O. Lalanne, Waltham; Alexander Klein, Philadelphia, No. 1; Chas. L. Tyre, Glen Falls, N. Y.; Wm. J. Martin, Chicago, No. 1; Leo L. Rembowski, Detroit, No. 1; Jos. P. Hand, Amsterdam, N. Y. (Gloverville Det.)

Agents promoted and transferred from Milton S. Jenison, from Des Moines, Ia. to Kansas City, Mo.; Max H. Haber, from Chicago, No. 1 to Chicago, No. 11; Geo. E. Snecner, from Flint, Mich. to Grand Rapids; Ralph H. Baker, from Waltham to Indianapolis, Ind.; David Polmuth, from Hartford to Whitinsville, Mass.; Wm. L. Baker, from Louisville to Newport-Covington, Ky.

Assistant District Manager Harry I. Gruenberg is transferred from New York No. 1 to Jamaica, L. I.

#### Gathercoal Now Manager

J. R. Gathercoal, superintendent of Chicago No. 1 district of the American Bankers, has been promoted to manager of the Cleveland, O., district, succeeding H. E. Runyon, who has gone on a leave of absence.

#### Eureka-Maryland Promotions

W. R. Rinehart and Paul Anderson of the Washington agency of the Eureka Maryland Assurance have been promoted to assistant superintendents at the place.

## ACTUARIES

### CALIFORNIA

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**COATES & HERFURTH**  
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**HENRY R. CORBETT**  
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Specializing on Pension Funds  
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**L. A. GLOVER & CO.**  
Consulting Actuaries  
128 North Wells Street, Chicago  
Life Insurance Accountants  
Statisticians

### INDIANA

**HAIGHT, DAVIS & HAIGHT, Inc.**  
Consulting Actuaries  
FRANK J. HAIGHT, President  
INDIANAPOLIS  
Omaha, Kansas City

**HARRY C. MARVIN**  
Consulting Actuary  
2185 North Meridian St.  
INDIANAPOLIS, INDIANA

### IOWA

**ERSTON L. MARSHALL**  
CONSULTING ACTUARY  
Hubbell Building  
DES MOINES, IOWA

### MISSOURI

**ALEXANDER C. GOOD**  
Consulting Actuary  
404 R. A. Long Bldg.  
Tel. No. Harrison 4888  
Kansas City, Mo.

**JOHN E. HIGDON**  
ACTUARY  
317 Shubert Bldg., Kansas City, Mo.  
1816 Chemical Bldg., St. Louis, Mo.

### NEW YORK

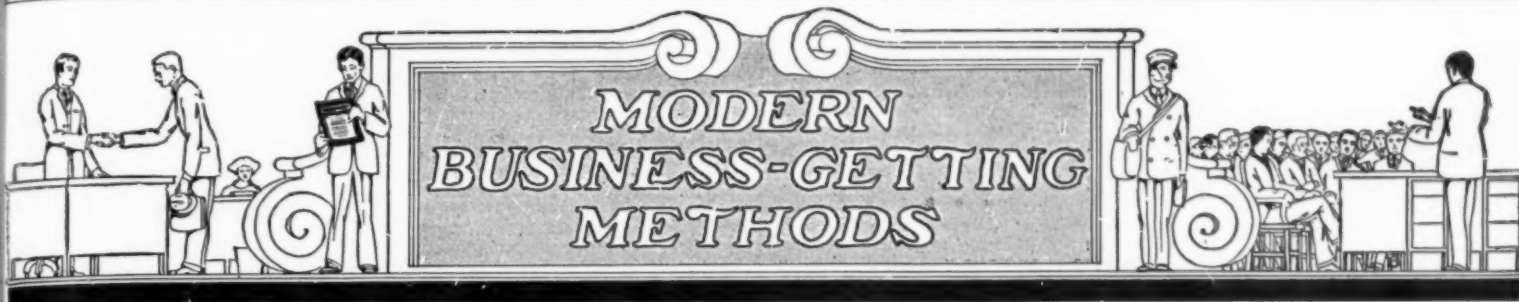
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New York

### OKLAHOMA

**T. J. McCOMB**  
COUNSELOR AT LAW  
CONSULTING ACTUARY  
Premiums, Reserves, Surrender  
Values, etc., Calculated. Valuations  
and Examinations Made. Policies  
and all Life Insurance Forms Pre-  
pared. The Law of Insurance a  
Specialty  
Colcord Bldg. OKLAHOMA CITY





## Financial Questions in June Examination for Degree of Chartered Life Underwriter Answered—Loans and Credit Discussed

Answers to Part V of the June Chartered Underwriters' examination question on finance are given below:

**Question 1. (a) Explain carefully the separate steps in the promotion of a new business enterprise.**

**(b) Point out the methods a promoter may use to obtain control of a new business opportunity.**

**Answer. (a)** He must first assemble his proposition, i. e., he must acquire such land, buildings, trackage, etc., as he may need, either by purchase or on option, generally the latter. He must study, assuming this to be a manufacturing of a specialty—first, the market for his products; second, the sources of his raw material; third, the location as to labor supply and economical distribution; fourth, the carefully estimated costs of manufacture and sales, as well as executive overhead. He must estimate the possible profit per unit and the possible sales, and figure out how much capital will be needed for the enterprise, how it will be divided between fixed assets and current assets, how he can secure the proper management personnel, preferably with stock interest in the business; how he can best set up the capital structure, and determine whether he is going to sell the shares to the public or to a small group. If the latter, after all these preliminary steps, he is ready to start seeing his selected prospects for directors and stockholders. If it be a very large enterprise, after getting his initial group, he must provide plans for putting over the public financing. He should make a definite contract with the initial group as to his own interest, which should always, to some extent at least, be contingent on the success of his promotion and is frequently based on the success of the business itself. In other words, he must take stock for his promotional profit, and generally must agree to escrow that stock until a market is made, if it is a public financing, and generally he agrees to hold it for a certain period of time even in a closely held company.

**(b)** A promoter may secure control of a new business opportunity by getting options on patent rights; on a location, say, for a bank; on an idle plant; by securing quietly options on a group of plants, competitors in some industry; by option on a right to promote the marketing of a new stock issue on an old established corporation; in an oil field, by securing large blocks of leases and then getting an operating company interested, etc.

I assume the question means "getting" control of an opportunity to promote a new venture, as it is very seldom that any promoter can have ultimate control of the business he has promoted.

**Question 2. What are the customary provisions in corporation mortgages pertaining to (a) the disposal of sinking funds? (b) the issuance of additional bonds under the same mortgage?**

**Answer.** The customary provisions in

corporation mortgages pertaining to

(a) Disposal of sinking funds are:  
1. That the sinking fund shall be invested in certain classes of securities and permitted to grow until the bonds have matured when the securities shall be sold and the proceeds used to retire the bond issue.

2. That the money in the sinking fund may be used from time to time to purchase the company's own bonds in the open market which would then be cancelled.

3. That the bonds should be callable at a certain price and the sinking fund used to pay off the bonds which have been called.

4. A serial bond issue does not ordinarily necessitate the creation of a sinking fund but there may be a provision for such from which serial bonds may be redeemed as they mature.

(b) The issuance of additional bonds under the same mortgage are:

1. That the mortgage be sufficiently large in size to permit of a bond reserve. For instance, the mortgage may be for \$5,000,000 but only \$3,000,000 worth of bonds be issued. The additional bonds may then be issued when the corporation needs funds.

2. That there shall be an open-end mortgage. Under such an arrangement, if certain requirements as to interest earnings, margin of safety in security, and other provisions for the protection of present security holders have been complied with, additional bonds may be issued. The restriction placed upon such issues must be carefully drawn in order to avoid "watered" bonds.

**Question 3. A corporation has fixed assets valued at \$500,000, and current assets having a combined present market value of \$400,000. The outstanding capital stock is \$300,000 par value, and the surplus \$400,000.**

**(a) Distinguish between fixed assets and current assets.**

**(b) Explain three methods of disposing of the surplus.**

**Answer. (a)** By fixed assets are meant forms of capital which are relatively permanent in character and which could not be easily liquidated. Illustrations are land, buildings, machinery, equipment, etc.

By current assets are meant those items which may readily be liquidated within a short time. Examples of such are notes receivable, accounts receivable, cash, inventories, etc.

The "rule of thumb" method is that current assets should bear a ratio of 2 to 1 to current liabilities.

(b) Three methods by which the surplus might be disposed of are:

1. Pay it out in cash dividends, either in regular ones, or extras.

2. Issue stock dividends. By this means the surplus is capitalized and is thereafter shown on the books as capital stock instead of surplus. This is quite frequently done to conceal large earnings, to expand a business, to aid stockholders in avoiding taxes, etc.

3. Issue script. If a company has a

large surplus but needs ready money in its business either for expansion or to tide over some expected business or financial depression, it may not want to pay out its surplus in cash dividends but at the same time desire to avoid antagonizing stockholders who think they should receive something. Consequently, it may give them scrip, (either interest or non-interest bearing) which entitles them to receive certain payments at the end of a given period of time, say a year.

**Question 4. The United States Steel Corporation recently announced plans for reshaping its capital structure by issuing common stock to retire outstanding funded debts. The purpose of this financing was said to be (1) reducing fixed charges, (2) making a larger proportion of gross earnings available for dividends and (3) increasing the equity of the preferred stock.**

**(a) What is meant by fixed charges, dividends and preferred stock?**

**(b) Show how this refinancing will attain the above purposes.**

**Answer. 1. (a)** By fixed charges are meant those expenses of a business which continue irrespective of whether a plant is operating full time or is idle. They should be distinguished from those variable costs which fluctuate with the amount of goods produced. For instance, a plant manufacturing steel rails would have variable costs, such as for raw material and labor, which will be large or small according to the quantity of rails manufactured. On the other hand, interest on the money invested in the plant, taxes on buildings, insurance premiums, royalties, etc. are fixed charges which remain practically constant. Since the interest on funded indebtedness is a fixed charge, the company reduces its fixed charges by retiring such indebtedness.

2. Dividends on stock are distributions of earnings which are paid only if made and declared and are not fixed charges. Therefore, if earnings fell off, dividends need not be paid and as the company's fixed charges are lower, there is less chance of insolvency.

3. Preferred stock is a form of ownership in a corporation which is given some particular advantage, such as the right to receive dividends before they are paid on other stock, the right to be paid off first in case of dissolutions, etc. It may be cumulative, (i. e., if dividends are not paid in one year, they will be paid later if earned), or participating (i. e., receive an extra dividend, by sharing profits with common stock after a certain dividend rate has been paid on the common), or have other special features embodied in it. Usually there is no voting power although there may be in case dividends are in arrears, the company is insolvent, etc.

(b) The means by which this refinancing will accomplish the purposes desired have already been suggested in part. To summarize, however, (1) Fixed charges will be less because there will be no obligation to pay interest on the funded indebtedness. (2) A larger proportion of earnings will be available for dividends since they won't be necessary for meeting fixed charges (as there will be more stock in place of the indebtedness, however, the dividend rate will not necessarily be higher) and (3) the equity of the preferred stock will be increased because the assets of the

corporation will not be encumbered with mortgages which have previously been a prior lien and which would have had to be paid off first in case of dissolution, before the preferred stockholders could get anything.

**Question 5. (a) What is a holding company? (b) Explain three methods which a holding company may employ to acquire the stock of the companies it desires to combine under a single management.**

**Answer (a)** A holding company is a separate corporation which has been formed for the acquisition of the securities of two or more concerns in competing or closely correlated industries for the purpose of combining the control and activities of these operating companies. Thus the Cloverblossom Creamery Company and the Bellefield Dairy Company may be combined by the formation of the Dairy Products Finance Company, and unity of management secured. Or a mining company, a railroad for transportation of the ore, and a steel company might be so combined.

(b) Methods of acquiring securities of the existing companies. (1) The holding company may exchange its own securities for those of the companies to be combined. The basis for the exchange would be determined by the relative value of the securities of the (at present) independent companies.

(2) The holding company may sell its own securities and use the proceeds to purchase the securities of the independent companies in the open market.

(3) It may borrow funds for the purchase of the securities of the constituent companies.

**Question 6. As credit officer of a commercial bank, what factors would you consider in determining the credit rating of a business enterprise?**

**Answer.** If I were credit officer of a commercial bank, I would consider the following factors in determining the credit rating of a business enterprise:

(a) Character of the borrower. Reputation for honest dealing. Sense of responsibility. Nature of his business methods as they evidence his belief in square dealing, etc.

(b) Capacity of borrower. Reputation as a business man. Previous record in business. Length and nature of business experience. Progressiveness of methods employed.

(c) Capital of borrower. Extent of capital assets and degree to which encumbered. Amount of investment in business and whether investment is of a profitable character; i. e., are assets revenue producing. Extent to which fixed capital is specialized. Amount of working capital normally on hand.

(d) Insurance against various risks. Life insurance on key men. Fire, use and occupancy and other forms of insurance on property. Public liability, workmen's compensation insurance, auto liability insurance carried, etc. Bonds obtained from contractors and supply men, etc.

(e) Financial statement.—Classified analysis of assets and liabilities.

(f) Operating ratios—as, ratio of current assets to current liabilities. Ratio of inventories to liabilities. Ratio of sales to inventories, etc.

(g) Reports of mercantile agency

ratings, as those of Bradstreet or Dun.  
(h) Terms of sale in the borrower's business, including usual practices as regards extensions, discounts, etc.

(i) Fundamental economic importance of the business in which the borrower is engaged. Where the demand for a product is constant and based upon organic needs, the risk is better, other things being equal, than if the product is a novelty or fad.

(j) Purposes for which loans are to be used.

**Question 7. What is the relationship between (1) loans and deposits and (2) deposits and reserves of a commercial bank?**

Answer. Relationship between:

(1) Loans and deposits. It is out of the deposits of a bank that it is able to grant loans. When loans increase in amount deposits will also be increased but not necessarily to the same extent. Banks usually require a borrower to keep on deposit a certain percentage, 10 percent-20 percent of the amount of the loan. Smith borrows \$50,000 from Bank A, deposits the \$50,000 and then draws checks to make the payments for which the loan was made, reducing the \$50,000 deposit to, say \$10,000 which the bank requires him to retain with them. Thus the loans of this bank have increased by \$50,000 and the deposits by \$10,000. This relative increase in loans will not usually be as great because Smith may have owed Jones \$15,000—Jones is a depositor in this bank. Jones deposits Smith's check so the increase in deposits has been \$25,000 as compared with the \$50,000 increase in loans. When the loans to deposits ratio is increasing the bank is apparently granting credit freely and this credit may be dangerous. If there are heavy withdrawals of deposits the bank will have to curtail its loans in order to pay the claims of its depositors. Thus in a period of prosperity loans to deposits ratios for all banks have increased to dangerous degrees and many loans have been placed into long term extensions of plants, etc., which are not easily liquidated. A crisis arises, credit is tightened and businesses, unable to pay their loans, fail, bringing on a period of depression in which the ratio of loans to deposits will be considerably reduced.

(2) The relationship of deposits and reserves of a commercial bank is as follows: A bank is required to keep on deposit with the Federal Reserve bank of its district 13 percent, 10 percent or 7 percent of its demand deposits depending upon the location of the member bank in a central reserve, reserve or country town. If the bank is lending freely and deposits are increasing it must build up its account to keep the required reserve. To build up its reserve it may rediscount with the Federal Reserve bank certain eligible papers if it has its loans in such paper. If it has other loans which cannot be rediscounted its reserve becomes deficient and it must liquidate some of its loans. Thus in a period of prosperity the ratio

of deposits to the reserve (deposits with the Federal Reserve bank) has increased. The ratio is usually expressed as the ratio of reserves to deposits. When this ratio approaches 13 percent, 10 percent or 7 percent as the case may be, it serves as a danger signal and loans are curtailed (as before) in order to build up the reserve or reduce deposits.

**Question 8. Distinguish between inflation and deflation of bank credit, and explain the processes by which these are brought about.**

Answer. Inflation of bank credits is the result of an increase in loans to such a point that the credit system is in danger of a serious jolt in case there should be any disastrous failures of big business concerns. This inflation may arise either from extension of credit to finance business expansion beyond the real needs of business, as was done with the railroads prior to the panic of 1873. Or it may result from financial inflation which arises from the practice of lending on stock market collateral. If prices are rising in the stock market, there will be a tendency for the public to borrow money to buy stock even though the present dividend yield on the stock may be low. As these loans on collateral increase there is a tendency for bank credit to become inflated as a result. If psychological conditions and other factors force prices higher and higher and the banks get loaded up with paper secured by collateral, the results may be disastrous when the bubble bursts. The Federal Reserve Board has been endeavoring to curb recent speculative activity in the stock market by raising the discount rate but opinion seems to be divided as to whether this is a hindrance to business in financing its needs rather than a check on speculation.

Deflation is also a relative term and is ordinarily used to mean the sudden withdrawal of support from a credit situation which may have been artificially maintained so that loans are paid off, securities sold, inventories reduced, further expansion curtailed and bank loans much reduced in relation to deposits.

Inflation is brought about by rising commodity prices, increasing earnings of business and the lure of great profits which encourage extensive borrowing to finance new or expanded enterprises, to purchase stocks which apparently have possibilities of appreciation, etc. Conversely, deflation results when the bubble bursts and the reversed conditions are occurring or when pressure through the discount rate is exercised to keep down loans.

**Question 9. Differentiate between legal interest rates, call-money rates and time-money rates.**

Answer. A legal interest rate is that stipulated by statute as the maximum which a lender may charge on loans in the particular state. The legal rate is 6 percent in Pennsylvania. A penalty

for charging in excess of the legal rate is a feature of many state laws. Frequently, loans under \$300 may be made at a rate much in excess of the usual legal rate. In Pennsylvania I believe this is 3 percent a month. Loan sharks who lend to persons in straitened circumstances but in need of funds because of sickness, emergencies, etc., thus can collect much more than the 6 percent which commercial borrowers pay. Incidentally, banks frequently collect more than 6 percent indirectly on their loans by requiring a borrower to maintain a deposit amounting to possibly 10 or 20 percent of the loan.

A call-money rate is the rate charged for demand loans and is used principally in connection with the financing of transactions in securities. This rate varies from day to day in accordance with the supply and demand for loanable funds, and may at times reach very high points.

Time-money rates are the rates charged on loans of 30, 60 or 90 days. This term is frequently associated with business transactions just as call-money rates are associated with security transactions. A commercial borrower, for instance, who wants to finance the marketing of his produce will borrow for 90 days, let us say, at the time money rate. These rates are more stable than those for call-money and at the present time are largely governed by the federal reserve rediscount rates and of course the legal rate.

Incidentally, it should be noted that call-money rates may by law, exceed the legal rates. For instance, in Pennsylvania, under a recent enactment, banks may charge more than the legal rate of interest on loans in excess of \$5,000 secured by financial collateral.

**Question 10. (a) What is the nature of investment credit?**

(b) Enumerate and define carefully three types of securities representing investment credit.

Answer. (a) Investment credit is long term credit. It is employed in long time financing and is handled by an investment house, not by a commercial bank which deals in short term obligations primarily.

(b) Three types of investment securities are:

1. Mortgages. These are a senior lien on the property mortgaged and subject to foreclosure if interest is not paid when due.

(2) Bonds. There are various types of bonds ranging from those issued under a closed mortgage to income bonds on which interest is paid only when earned.

(3) Stock. Stock represents ownership of a business and thus differs from bonds, which are evidences of indebtedness, not ownership. The return on the stock, called a dividend, depends wholly upon the ability of the business to earn a profit.

**Question 11. (a) What is there in**

the nature of public utilities that has necessitated their public regulations?

(b) Enumerate the chief purposes of public utility regulation.

Answer. (a) Public utilities are semi-public corporations which have had to be regulated by the various states because:

1. They enjoy a practical monopoly of the service they render in many fields. For instance, it would not be feasible to give two trolley companies franchises to operate over the same street. Nor would it be economically sound. Therefore, the company which receives such a franchise enjoys a monopoly of the trolley business on that street. This is likewise true in the case of gas companies, water companies, light and power companies, telephone companies, etc. It would not be economical to have duplicated facilities nor would better service necessarily result. However, when the public grants a monopoly, it should have the right to see that the monopoly is exercised in its best interests.

(2) The services rendered by utilities are essential. Most of the services, such as light, transportation, etc., are basic necessities and for that reason should be regulated by the public when the public gives one organization alone the right to render such service.

(3) The public is entitled to good service and since this cannot be obtained as a result of competition, the public has the right to require the utility, which it has given special privileges, to maintain a fair standard.

(4) The public is entitled to the service at reasonable rates. Monopoly profits should not be permitted and since there is no competition to keep rates down to costs of production the public should be permitted to regulate the utility so that (a) rates are not exorbitant, (b) rates are equitable as between consumers, and (c) rates are high enough to permit of rendering good service.

(b) The chief purposes of public utility regulation have been suggested in connection with the previous discussion, namely, to see that

(1) The public receives a fair standard of service.

(2) That rates are adequate, equitable and not redundant.

(3) That abuses are not permitted in the management or operation of a utility which will endanger public interest.

**Question 12. Outline the chief factors which influence the market prices of (a) stocks, and (b) bonds.**

Answer. Stocks—Factors influencing (1) Intrinsic earning power—this only over a long period of time. (2) Money market conditions. (3) Price level. (4) Manipulation. (5) Period of the business cycle at the time, such as depression, boom, etc.

These latter are short run factors. To explain each would take a book. Interest rates (money conditions) are a factor. Scarce funds and high rates eventually cause low prices. Manipulation is ever present, although over a period of time the investor need not worry about it. This is true also regarding the business cycle.

Bonds.—Factors influencing prices: (1) Long time factors—(a) Earning power of the corporation. (b) Policy of management adopted.

(2) Short time factors. (a) Interest rates. High rates cause low prices. At least when rates are high prices are low. It may be argued that the rate is a result rather than a cause, because the rate is a ratio. (b) Earning power of the wage earner and the proportion which he invests in securities. (c) Panics, depressions, etc. Often in case of panics, good bonds are sold to realize ready cash to support the business, causing stock investments, etc. (d) Commodity price level—if prices are high, bonds will be low. (e) Special taxes or tax exemptions given by the government. Tax exempt securities cause the price of this class to rise.



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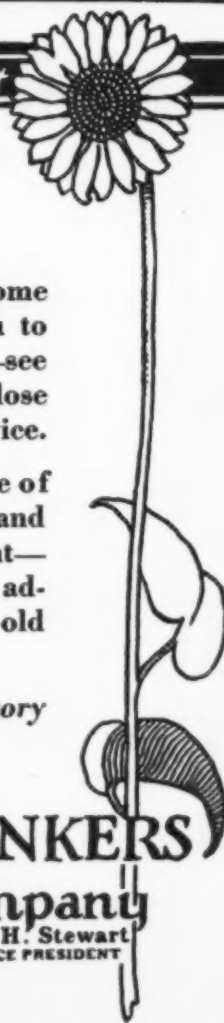
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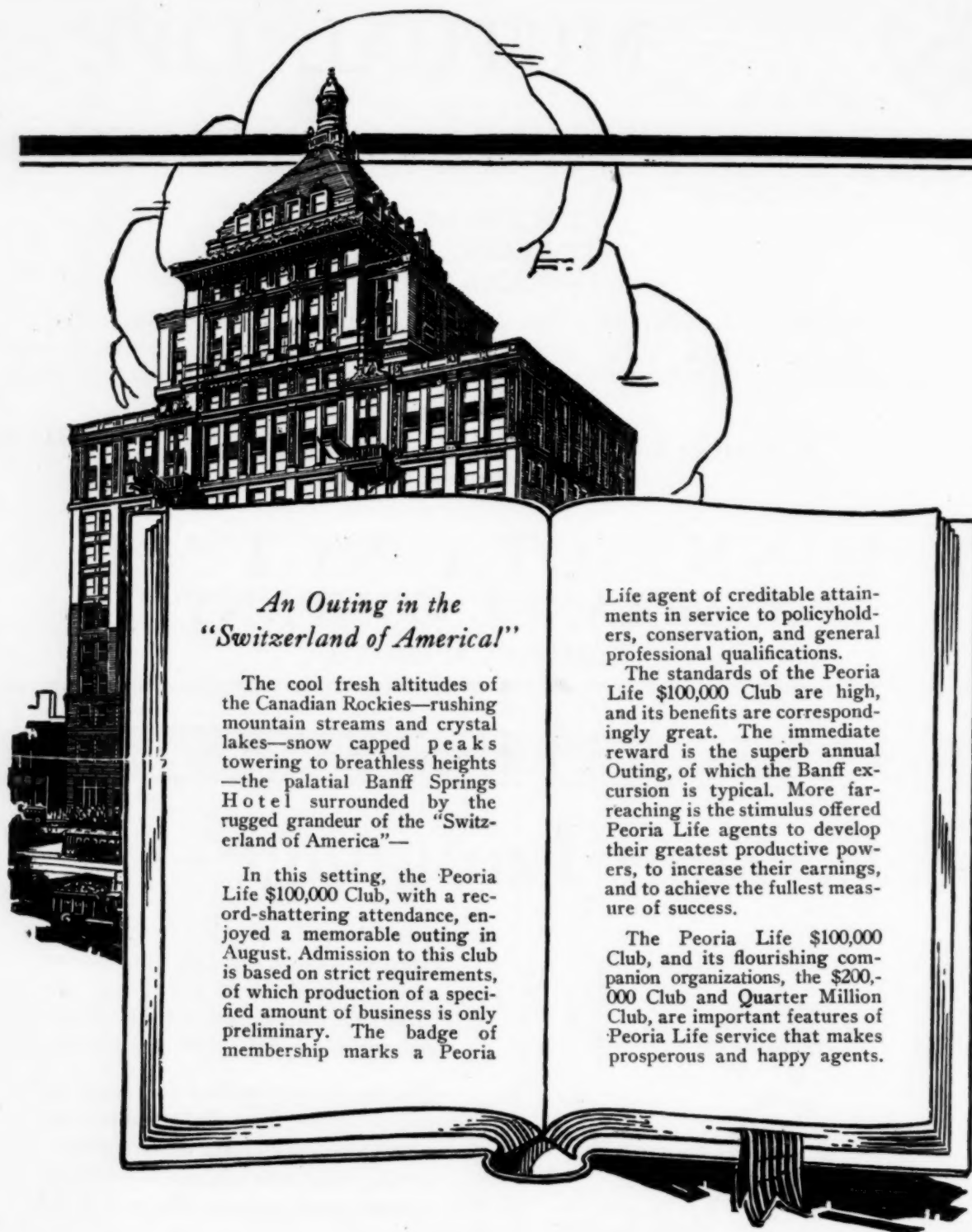
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